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Report of the Special Examination by James A. Morrison F.C.A.

of-

CROWN TRUST COMPANY
GREYMAC TRUST COMPANY
SEAWAY TRUST COMPANY
GREYMAC MORTGAGE CORPORATION
AND
SEAWAY MORTGAGE CORPORATION

to

The Honorable Robert G. Elgie M.D.

Minister of Consumer and Commercial Relations

Province of Ontario

June 1983





Government Publications

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REPORT OF JAMES A. MORRISON F.C.A.

to the Minister of Consumer and Commercial Relations, pursuant to Section 152 of the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249.

JUNE 30, 1983

MECORY CF JAMES A. MORRHSON F.C.,

To the Mithelies of Community and Community Releases,

personnel to Section 152 of the Loan and Trust Corporations act.

1.5.C. 1985, Community Communi

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Appointment dated November 23, 1982 appointing Morrison to examine the books, accounts, etc. of Crown Trust



of the

Ministry of Consumer and Commercial Relations

416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF THE LOAN AND TRUST CORPORATIONS ACT R.S.O. 1980, c. 249

AND IN THE MATTER OF CROWN TRUST COMPANY

WHEREAS pursuant to Section 4 of the Ministry of Consumer and Commercial Relations Act, R.S.O. 1980, Chapter 274, the Minister of Consumer and Commercial Relations is responsible for the administration of the Loan and Trust Corporations Act (hereinafter called the "Act");

AND WHEREAS the undersigned, the Honourable Robert G. Elgie,
M.D. (hereinafter called the "Minister"), is the Minister of
Consumer and Commercial Relations having taken his oath of office on
the 13th day of February, 1982.

AND WHEREAS the Minister has reason to believe that recent sales by Cadillac Fairview Corporation of residential properties in Ontario or transactions following therefrom may have involved one or more of Seaway Trust Company, Seaway Mortgage Corporation, Greymac Trust Company, Greymac Mortgage Corporation and Crown Trust Company, each of which is a corporation registered under the Act, and may have affected the business of Crown Trust Company and the conduct of its business in accordance with the requirements of the Act;

AND WHEREAS under Section 152 (1) of the Act the Minister, of his own motion, may appoint any competent person to make a special examination and audit of a corporation's books, accounts and securities, and to inquire generally into the conduct of its business;

NOW THEREFORE the Minister, acting under the authority of the said Section 152 (1) of the Act and all other powers him thereunto enabling, hereby appoints James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto, to make a special examination and audit of the books, accounts and securities of Crown Trust Company and to inquire generally into the conduct of its business, provided that such audit need only be made if, in the opinion of the said examiner, during or after such special examination, an audit would be necessary or desirable.

DATED at Toronto this 23rd day of November, 1982.

Robert G. Elgie, M.D.,

Minister of Consumer and

Appointment dated November 23, 1982 appointing Morrison to examine the books, accounts, etc. of Greymac Trust





ce of the

Ministry of Consumer and Commercial Relations

416/963-0311

 555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF THE LOAN AND TRUST CORPORATIONS ACT R.S.O. 1980, c. 249

'AND IN THE MATTER OF GREYMAC TRUST COMPANY

WHEREAS pursuant to Section 4 of the Ministry of Consumer and Commercial Relations Act, R.S.O. 1980, Chapter 274, the Minister of Consumer and Commercial Relations is responsible for the administration of the Loan and Trust Corporations Act (hereinafter called the "Act");

AND WHEREAS the undersigned, the Honourable Robert G. Elgie,
M.D. (hereinafter called the "Minister"), is the Minister of
Consumer and Commercial Relations having taken his oath of office on
the 13th day of February, 1982.

AND WHEREAS the Minister has reason to believe that recent sales by Cadillac Fairview Corporation of residential properties in Ontario or transactions following therefrom may have involved one or more of Seaway Trust Company, Seaway Mortgage Corporation, Greymac Trust Company, Greymac Mortgage Corporation and Crown Trust Company, each of which is a corporation registered under the Act, and may have affected the business of Greymac Trust Company and the conduct of its business in accordance with the requirements of the Act;

AND WHEREAS under Section 152 (1) of the Act the Minister, of his own motion, may appoint any competent person to make a special examination and audit of a corporation's books, accounts and securities, and to inquire generally into the conduct of its business;

NOW THEREFORE the Minister, acting under the authority of the said Section 152 (1) of the Act and all other powers him thereunto enabling, hereby appoints James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto, to make a special examination and audit of the books, accounts and securities of Greymac Trust Company and to inquire generally into the conduct of its business, provided that such audit need only be made if, in the opinion of the said examiner, during or after such special examination, an audit would be necessary or desirable.

DATED at Toronto this 231 day

day of November, 1982.

Robert G. Elgie, M.D.,

Minister of Consumer and

Appointment dated November 23, 1982 appointing Morrison to examine the books, accounts, etc. of Seaway Trust





ice of the

Ministry of Consumer and Commercial Relations

416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF THE LOAN AND TRUST CORPORATIONS ACT R.S.O. 1980, c. 249

AND IN THE MATTER OF SEAWAY TRUST COMPANY

WHEREAS pursuant to Section 4 of the Ministry of Consumer and Commercial Relations Act, R.S.O. 1980, Chapter 274, the Minister of Consumer and Commercial Relations is responsible for the administration of the Loan and Trust Corporations Act (hereinafter called the "Act");

AND WHEREAS the undersigned, the Honourable Robert G. Elgie,
M.D. (hereinafter called the "Minister"), is the Minister of
Consumer and Commercial Relations having taken his oath of office c.
the 13th day of February, 1982.

AND WHEREAS the Minister has reason to believe that recent sales by Cadillac Fairview Corporation of residential properties in Ontario or transactions following therefrom may have involved one or more of Seaway Trust Company, Seaway Mortgage Corporation, Greymac Trust Company, Greymac Mortgage Corporation and Crown Trust Company, each of which is a corporation registered under the Act, and may have affected the business of Seaway Trust Company and the conduct of its business in accordance with the requirements of the Act;

AND WHEREAS under Section 152 (1) of the Act the Minister, of his own motion, may appoint any competent person to make a special examination and audit of a corporation's books, accounts and securities, and to inquire generally into the conduct of its business;

NOW THEREFORE the Minister, acting under the authority of the said Section 152 (1) of the Act and all other powers him thereunto enabling, hereby appoints James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto, to make a special examination and audit of the books, accounts and securities of Seaway Trust Company and to inquire generally into the conduct of its business, provided that such audit need only be made if, in the opinion of the said examiner, during or after such special examination, an audit would be necessary or desirable.

DATED at Toronto this 23 d day of November, 1982.

Robert G. Elgie, M.D.,

Minister of Consumer and

Appointment dated November 23, 1982 appointing Morrison to examine the books, accounts, etc. of Greymac Mortgage





fice of the

Ministry of Consumer and Commercial Relations

416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF THE LOAN AND TRUST CORPORATIONS ACT R.S.O. 1980, c. 249

AND IN THE MATTER OF GREYMAC MORTGAGE CORPORATION

WHEREAS pursuant to Section 4 of the Ministry of Consumer and Commercial Relations Act, R.S.O. 1980, Chapter 274, the Minister of Consumer and Commercial Relations is responsible for the administration of the Loan and Trust Corporations Act (hereinafter called the "Act");

AND WHEREAS the undersigned, the Honourable Robert G. Elgie,
M.D. (hereinafter called the "Minister"), is the Minister of
Consumer and Commercial Relations having taken his oath of office on
the 13th day of February, 1982.

AND WHEREAS the Minister has reason to believe that recent solutions by Cadillac Fairview Corporation of residential properties in Ontario or transactions following therefrom may have involved one or more of Seaway Trust Company, Seaway Mortgage Corporation, Greymac Trust Company, Greymac Mortgage Corporation and Crown Trust Company, each of which is a corporation registered under the Act, and may have affected the business of Greymac Mortgage Corporation and the conduct of its business in accordance with the requirements of the Act;

AND WHEREAS under Section 152 (1) of the Act the Minister, of his own motion, may appoint any competent person to make a special examination and audit of a corporation's books, accounts and securities, and to inquire generally into the conduct of its business;

NOW THEREFORE the Minister, acting under the authority of the said Section 152 (1) of the Act and all other powers him thereunto enabling, hereby appoints James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto, to make a special examination and audit of the books, accounts and securities of Greymac Mortgage Corporation and to inquire generally into the conduct of its business, provided that such audit need only be made if, in the opinion of the said examiner, during or after such special examination, an audit would be necessary or desirable.

DATED at Toronto this 23 day of November, 1982.

Robert G. Elgie, M.D.

Minister of Consumer and

Appointment dated November 23, 1982 appointing Morrison to examine the books, accounts, etc. of Seaway Mortgage





Ministry of
Consumer and
Commercial
Relations

416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF THE LOAN AND TRUST CORPORATIONS ACT R.S.O. 1980, c. 249

AND IN THE MATTER OF SEAVAY MORIGAGE CORPORATION

WHEREAS pursuant to Section 4 of the Ministry of Consumer and Commercial Relations Act, R.S.O. 1980, Chapter 274, the Minister of Consumer and Commercial Relations is responsible for the administration of the Loan and Trust Corporations Act (hereinafter called the "Act");

AND WHEREAS the undersigned, the Honourable Robert G. Elgie,
M.D. (hereinafter called the "Minister"), is the Minister of
Consumer and Commercial Relations having taken his oath of office on
the 13th day of February, 1982.

AND WHEREAS the Minister has reason to believe that recent sales by Cadillac Fairview Corporation of residential properties in Ontario or transactions following therefrom may have involved one or more of Seaway Trust Company, Seaway Mortgage Corporation, Greymac Trust Company, Greymac Mortgage Corporation and Crown Trust Company, each of which is a corporation registered under the Act, and may have affected the business of Seaway Mortgage Corporation and the conduct of its business in accordance with the requirements of the

AND WHEREAS under Section 152 (1) of the Act the Minister, of his own motion, may appoint any competent person to make a special examination and audit of a corporation's books, accounts and securities, and to inquire generally into the conduct of its business;

NOW THEREFORE the Minister, acting under the authority of the said Section 152 (1) of the Act and all other powers him thereunto enabling, hereby appoints James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto, to make a special examination and audit of the books, accounts and securities of Seaway Mortgage Corporation and to inquire generally into the conduct of its business, provided that such audit need only be made if, in the opinion of the said examiner, during or after such special examination, an audit would be necessary or desirable.

DATED at Toronto this 23.4 day of November, 1982.

Robert G. Elgie, M.D.,

Minister of Consumer and

Authorization dated November 23, 1982 and approved November 24, 1982 respecting Crown Trust



Relations

ice of the

rister

Ministry of 416/963-0311

Consumer and Commercial

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249;

AND IN THE MATTER OF Crown Trust Company

WHEREAS under Section 151 (1) of the Loan and Trust Corporations Act (hereinafter called the "Act") the undersigned, as Registrar under the Act, or any person authorized under the hand and seal of the Registrar may, with the approval of the Minister, examine the books, vouchers, securities and documents of a corporation registered under the Act at any time within business hours;

AND WHEREAS pursuant to Section 152(1) of the Act, the Minister of Consumer and Commercial Relations has appointed James A. Morrison, F.C.A. of the Municipality of Metropolitan Toronto to make a special examination and audit of the books, accounts and securities of Crown Trust Company, a corporation registered under the Act, and to inquire generally into the conduct of its business;

AND WHEREAS it will be of assistance to the said James A. Morrison, F.C.A. in making the said special examination under Section 152(1) of the Act if the persons hereinafter named are authorized by the Registrar to examine the books, vouchers, securities and documents of Crown Trust Company;

NOW THEREFORE the undersigned Registrar, acting under the authority of the said Section 151(1) of the Act and all other powers him thereunto enabling, hereby authorizes the following persons, each of whom is a partner or employee of the firm of Touche Ross & Co., at any time within business hours to examine the books, vouchers, securities and documents of Crown Trust Company:

JAMES A. MORRISON

M.B. NEED

FRANK R. BROWN

B.M.W. HOULDEN

IAN C. CAMPBELL

G.K. McCORD

RICHARD J. TAYLOR

M.W. MACKEY

LEONARD R. WAIT

DATED at Toronto this 23 day of November, 1982.

Murray A. Thompson, Q.C.

Registrar under the Loan and Trust Corporations Act.

The undersigned, the Minister of Consumer and Commercial Relations, hereby approves the foregoing authorization and the examination of the books, vouchers, securities and documents of Crown Trust Company by any one or more of the persons so authorized.

DATED at Toronto this 24 day of November, 1982.

Minister of Consumer and

Commercial Relations

Authorization dated November 23, 1982 and approved November 24, 1982 respecting Greymac Trust





of the

Ministry of Consumer and Commercial Relations

415/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249;

AND IN THE MATTER OF Greymac Trust Company

WHEREAS under Section 151 (1) of the Loan and Trust Corporations Act (hereinafter called the "Act") the undersigned, as Registrar under the Act, or any person authorized under the hand and seal of the Registrar may, with the approval of the Minister, examine the books, vouchers, securities and documents of a corporation registered under the Act at any time within business hours;

AND WHEREAS pursuant to Section 152(1) of the Act, the Minister of Consumer and Commercial Relations has appointed

James A. Morrison, F.C.A. of the Municipality of Metropolitan

Toronto to make a special examination and audit of the books,

accounts and securities of Greymac Trust Company, a corporation

registered under the Act, and to inquire generally into the conduct of its business;

AND WHEREAS it will be of assistance to the said

James A. Morrison, F.C.A. in making the said special examination

under Section 152(1) of the Act if the persons hereinafter named are

authorized by the Registrar to examine the books, vouchers,

securities and documents of Greymac Trust Company;

NOW THEREFORE the undersigned Registrar, acting under the authority of the said Section 151(1) of the Act and all other powers him thereunto enabling, hereby authorizes the following persons, each of whom is a partner or employee of the firm of Touche Ross & Co., at any time within business hours to examine the books, vouchers, securities and documents of Greymac Trust Company:

JAMES A. MORRISON

M.B. NEED

FRANK R. BROWN

B.M.W. HOULDEN

IAN C. CAMPBELL

G.K. McCORD

RICHARD J. TAYLOR

M.W. MACKEY

LEONARD R. WAIT

DATED at Toronto this digital

day of November, 1982.

Murray A. Thompson, Q.C.

Registrar under the Loan and Trust Corporations Act.

The undersigned, the Minister of Consumer and Commercial Relations, hereby approves the foregoing authorization and the examination of the books, vouchers, securities and documents of Greymac Trust Company by any one or more of the persons so authorized.

DATED at Toronto this 24 th day of November, 1982.

Robert G. Elgie, M.D.

14 Minister of Consumer and

Authorization dated November 23, 1982 and approved November 24, 1982 respecting Seaway Trust





office of the

Ministry of Consumer and Commercial Belations

416, 963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249;

AND IN THE MATTER OF Seaway Trust Company

WHEREAS under Section 151 (1) of the Loan and Trust Corporations Act (hereinafter called the "Act") the undersigned, as Registrar under the Act, or any person authorized under the hand and seal of the Registrar may, with the approval of the Minister, examine the books, vouchers, securities and documents of a corporation registered under the Act at any time within business hours;

AND WHEREAS pursuant to Section 152(1) of the Act, the Minister of Consumer and Commercial Relations has appointed

James A. Morrison, F.C.A. of the Municipality of Metropolitan

Toronto to make a special examination and audit of the books,

accounts and securities of Seaway Trust Company, a corporation

registered under the Act, and to inquire generally into the conduct of its business;

AND WHEREAS it will be of assistance to the said

James A. Morrison, F.C.A. in making the said special examination

under Section 152(1) of the Act if the persons hereinafter named are

authorized by the Registrar to examine the books, vouchers,

securities and documents of Seaway Trust Company;

NOW THEREFORE the undersigned Registrar, acting under the authority of the said Section 151(1) of the Act and all other powers him thereunto enabling, hereby authorizes the following persons, each of whom is a partner or employee of the firm of Touche Ross & Co., at any time within business hours to examine the books, vouchers, securities and documents of Seaway Trust Company:

JAMES A. MORRISON

M.B. NEED

FRANK R. BROWN

B.M.W. HOULDEN

IAN C. CAMPBELL

G.K. MCCORD

RICHARD J. TAYLOR

M.W. MACKEY

LEONARD R. WAIT

DATED at Toronto this 22 day of November, 1982.

Murray A. Thompson, Q.C.

Registrar under the Loan and Trust Corporations Act.

The undersigned, the Minister of Consumer and Commercial Relations, hereby approves the foregoing authorization and the examination of the books, vouchers, securities and documents of Seaway Trust Company by any one or more of the persons so authorized.

DATED at Toronto this 24 M day of November, 1982.

Robert G. Elgie, M.D.

Minister of Consumer and

Commercial Relations

Authorization dated November 23, 1982 and approved November 24, 1982 respecting Greymac Mortgage





ce of the

Ministry of
Consumer and
Commercial
Relations

416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249;

AND IN THE MATTER OF Greymac Mortgage Corporation

WHEREAS under Section 151 (1) of the Loan and Trust Corporations

Act (hereinafter called the "Act") the undersigned, as Registrar

under the Act, or any person authorized under the hand and seal of

the Registrar may, with the approval of the Minister, examine the

books, vouchers, securities and documents of a corporation

registered under the Act at any time within business hours;

AND WHEREAS pursuant to Section 152(1) of the Act, the Minister of Consumer and Commercial Relations has appointed

James A. Morrison, F.C.A. of the Municipality of Metropolitan

Toronto to make a special examination and audit of the books,

accounts and securities of Greymac Mortgage Corporation, a

corporation registered under the Act, and to inquire generally into
the conduct of its business;

AND WHEREAS it will be of assistance to the said

James A. Morrison, F.C.A. in making the said special examination

under Section 152(1) of the Act if the persons hereinafter named are

authorized by the Registrar to examine the books, vouchers,

securities and documents of Greymac Mortgage Corporation;

NOW THEREFORE the undersigned Registrar, acting under the authority of the said Section 151(1) of the Act and all other powers him thereunto enabling, hereby authorizes the following persons, each of whom is a partner or employee of the firm of Touche Ross & Co., at any time within business hours to examine the books, vouchers, securities and documents of Greymac Mortgage Corporation:

JAMES A. MORRISON

M.B. NEED

FRANK R. BROWN

B.M.W. HOULDEN

IAN C. CAMPBELL

G.K. McCORD

RICHARD J. TAYLOR

M.W. MACKEY

LEONARD R. WAIT

DATED at Toronto this 33 day of November, 1982.

Murray A. Thompson, Q.C.

Registrar under the Loan and Trust Corporations Act.

The undersigned, the Minister of Consumer and Commercial Relations, hereby approves the foregoing authorization and the examination of the books, vouchers, securities and documents of Greymac Mortgage Corporation by any one or more of the persons so authorized.

DATED at Toronto this 24 day of November, 1982.

Robert G. Elgie, M.D.

Minister of Consumer and

Commercial Relations

Authorization dated November 23, 1982 and approved November 24, 1982 respecting Seaway Mortgage





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416/963-0311

555 Yonge Street Toronto, Ontario M7A 2H6

Ministry of Consumer and Commercial Relations

IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249;

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WHEREAS under Section 151 (1) of the Loan and Trust Corporations

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registered under the Act at any time within business hours;

AND WHEREAS pursuant to Section 152(1) of the Act, the Minister of Consumer and Commercial Relations has appointed

James A. Morrison, F.C.A. of the Municipality of Metropolitan

Toronto to make a special examination and audit of the books,

accounts and securities of Seaway Mortgage Corporation, a

corporation registered under the Act, and to inquire generally into the conduct of its business;

AND WHEREAS it will be of assistance to the said

James A. Morrison, F.C.A. in making the said special examination

under Section 152(1) of the Act if the persons hereinafter named are

authorized by the Registrar to examine the books, vouchers,

securities and documents of Seaway Mortgage Corporation;

NOW THEREFORE the undersigned Registrar, acting under the authority of the said Section 151(1) of the Act and all other powers him thereunto enabling, hereby authorizes the following persons, each of whom is a partner or employee of the firm of Touche Ross & Co., at any time within business hours to examine the books, vouchers, securities and documents of Seaway Mortgage Corporation:

JAMES A. MORRISON

M.B. NEED

FRANK R. BROWN

B.M.W. HOULDEN

IAN C. CAMPBELL

G.K. McCORD

RICHARD J. TAYLOR

M.W. MACKEY

LEONARD R. WAIT

DATED at Toronto this 23 day of November, 1982.

Murray A. Thompson, O.C.

Registrar under the Loan and Trust Corporations Act.

The undersigned, the Minister of Consumer and Commercial Relations, hereby approves the foregoing authorization and the examination of the books, vouchers, securities and documents of Seaway Mortgage Corporation by any one or more of the persons so authorized.

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DATED at Toronto this 24 hay of November, 1982.

Robert G. Elgie, M.D.

Minister of Consumer and

Commercial Relations

Statement to the Legislature by the Minister dated November 16, 1982



STATEMENT TO THE LEGISLATURE

ΒY

THE HONOURABLE ROBERT ELGIE

MINISTER OF CONSUMER AND COMMERCIAL RELATIONS

TUESDAY, NOVEMBER 16, 1982

MR. SPEAKER, SINCE MY UNDERTAKING IN THE HOUSE ON NOVEMBER 4TH TO MAKE A FULLER STATEMENT ABOUT MY COURSE OF ACTION IN RESPECT OF THE CADILLAC-FAIRVIEW SALE OF RENTAL PROPERTIES, A GREAT DEAL HAS OCCURRED WHICH HAS UNDOUBTEDLY INFLUENCED PUBLIC OPINION AND THE OPINON OF MANY MEMBERS OF THIS LEGISLATURE.

MR. SPEAKER, AT THE OUTSET I THINK I SHOULD SAY THAT USE OF THE TERM "CADILLAC-FAIRVIEW SALE" IS SOMEWHAT UNFAIR TO THAT COMPANY, AS THE PROBLEMS WITH WHICH I WISH TO DEAL DO NOT ARISE SO MUCH FROM THE SALE BY THAT COMPANY AS FROM THE SUBSEQUENT RESALES. HOWEVER, THE SERIES OF TRANSACTIONS HAS BEEN IDENTIFIED IN THE MEDIA BY THAT NAME AND FOR CONVENIENCE I WILL CONTINUE TO DESCRIBE IT THAT WAY.

THE MOST UPSETTING DEVELOPMENT IN MY OPINION WAS THE RESALE OF THE CADILLAC-FAIRVIEW PROPERTIES, NOT ONCE BUT TWICE AND EACH TIME WITH SUBSTANTIAL AMOUNTS OF REFINANCING BEING INVOLVED. IN SINGLING OUT THIS ASPECT OF THE DEVELOPMENTS SINCE NOVEMBER 4TH, I DO NOT INTEND MY WORDS TO BE TAKEN IN ANY WAY AS MEANING THAT I DO NOT ATTACH A GREAT DEAL OF CONCERN TO THE POSSIBLE EFFECT THESE SALES COULD HAVE ON RENTS AND THEREFORE ON THE TENANTS IN THESE BUILDINGS. THIS OBVIOUSLY IS A MATTER OF PARAMOUNT CONCERN TO ME AND I WILL BE ADDRESSING IT PRESENTLY, BUT WHAT I WANT TO EMPHASIZE IN MY INITIAL COMMENTS IS THE VERY REAL CHALLENGE WE FACE IN OUR EFFORTS TO ADMINISTER THE RENT REVIEW PROCESS EQUITABLY.

MR. SPEAKER, SOME OF THE MEDIA, IN COMMENTING ON THE SALE, HAVE SPOKEN ABOUT A LOOP-HOLE IN THE RENT REVIEW PROCESS. THIS CONCLUSION IS, I BELIEVE, BASED ON A LACK OF INDERSTANDING OF THE BASIS ON WHICH THE RENT REVIEW PROGRAM WAS ESTABLISHED. NOWHERE, MR. SPEAKER, IS THERE ANY PROVISION WITHIN THE RESIDENTIAL TENANCIES ACT, THAT SUGGESTS IT WAS ALSO INTENDED TO PROHIBIT THE SALE OF RENTAL PROPERTIES. NOR AM I AWARE OF ANY ENDORSEMENT OF THAT IDEA BY ANY POLITICAL PARTY OR MUNICIPAL POLITICIAN PRIOR TO THE SUDDEN DEMAND FOR ITS APPLICATION TO THE CADILLAC-FAIRVIEW SALE. TO THE CONTRARY, IT HAS BEEN MY EXPERIENCE. ESPECIALLY IN TALKING TO REPRESENTATIVES OF TENANT GROUPS, THAT THE JUSTIFICATION PUT FORWARD FOR MAINTAINING THE GUIDFLINE AT 6%, A FIGURE WHICH SPEAKERS ON ALL SIDES OF THIS HOUSE HAVE AT ONE TIME OR ANOTHER FOUND TO BE TOO LOW. WAS THAT THE LANDLORD WAS ACCUMULATING PROFIT IN THE FORM OF CAPITAL GAIN IN THE APPRECIATING VALUE OF THE PROPERTY. IF THIS ARGUMENT HAS ANY VALIDITY, IT IS OBVIOUS THAT THE ONLY WAY SUCH ACCUMULATED PROFIT CAN BE REALIZED IS IF THE LANDLORD SELLS THE PROPERTY.

I AM SURE THAT THE MEMBERS OPPOSITE ARE WELL AWARE OF THE FACT THAT THE RESIDENTIAL TENANCY COMMISSION DOES NOT ALLOW A LANDLORD TO PASS ON TO HIS TENANTS ANY COSTS ASSOCIATED WITH AN INCREASE IN A MORTGAGE WHICH IS DESIGNED TO SIMPLY REMOVE THE ACCUMULATED INCREASE IN EQUITY FROM THE BUILDING. AND IN THIS REGARD I WOULD REMIND THE HOUSE THAT MORTGAGING OUT AN EQUITY HAS BEEN A COMMON PRACTICE IN THE ADMINISTRATION OF RENTAL UNITS SINCE LONG BEFORE WE INTRODUCED RENT REVIEW. I AM ALSO SURE THAT AFTER THE LENGTHY AND CAREFUL REVIEW OF THE BILL IN 1979, CARRIED OUT, NEED I REMIND YOU, BY A COMMITTEE AND A LEGISLATURE IN WHICH THE OPPOSITION HAD THE MAJORITY OF MEMBERS, IT CANNOT NOW BE SAID THAT THIS ASPECT OF THE ADMINISTRATION OF RENTAL UNITS WAS OVERLOOKED. RATHER I WOULD SUGGEST TO THE HOUSE THAT THE SALE OF RENTAL PROPERTIES WAS TO BE ALLOWED AS A LEGITIMATE COMMERCIAL PRACTICE. THE VERY FACT THAT THERE HAVE BEEN MANY HUNDREDS OF RENTAL BUILDINGS SOLD IN THE YEARS SINCE THE RESIDENTIAL TENANCY ACT WAS INTRODUCED WITHOUT ANY SUGGESTION THAT THE SALES BE SET ASIDE OR PROHIBITED, IS EVIDENCE THAT SUCH SALES WERE NOT OBJECTIONALBLE IN AND OF THEMSELVES.

THERE IS A NEED, THEREFORE, TO LOOK BEYOND THE CADILLACFAIRVIEW TRANSACTION TO THE BROADER ISSUES INVOLVED. FOR
EXAMPLE, LET US REMEMBER THAT MANY PEOPLE IN THIS PROVINCE
HAVE, AS PART OF THEIR RETIREMENT PLANNING, INVESTED IN
RENTAL BUILDINGS WHICH THEY OPERATE OR HAVE OPERATED FOR
THEM. SOME ARE DEPENDENT ON THE INCOME STREAM FOR THEIR
LIVELIHOOD AND MANY OF THEM MAY VERY WELL WISH, AT SOME
TIME, TO SELL THEIR INTEREST AND USE THEIR CAPITAL IN SOME
OTHER WAY. THIS HAS BEEN AN ACCEPTED PART OF THE INVESTMENT
ACTIVITY IN THIS PROVINCE FOR YEARS AND IT IS NOT ONE THAT
WE SHOULD NOW SWEEP ASIDE IN OUR HASTE TO PROTECT A
PARTICULAR GROUP OF TENANTS IN A SPECIFIC SITUATION.

MY UNDERSTANDING OF THE FUNCTION OF THE RESIDENTIAL TENANCIES ACT IS THAT IS WAS INTENDED TO PREVENT UNFAIR INCREASES IN RENTS DURING WHAT HAS NOW BECOME AN EXTENDED PERIOD OF SHORTAGE IN THE RENTAL ACCOMMODATION MARKET. UNFORTUNATELY, IN OUR ECONOMIC SYSTEM IT IS EXTREMELY DIFFICULT TO CREATE ARTIFICIAL RESTRAINTS IN SOME AREAS WITHOUT CAUSING SOME OTHER UNWANTED EFFECT ELSEWHERE. IN THE CASE OF THE CONTROL OF RENTAL HOUSING, WE NOW HAVE A SITUATION WHERE THE RETURN ON THIS FORM OF INVESTMENT IS LESS, AND IN MANY CASES MUCH LESS, THAN CAN BE EARNED IN OTHER MARKETS. CONVERSELY, A HIGHER RATE OF RETURN CAN BE EARNED WITH FAR LESS RISK AND EFFORT IN MANY AREAS OF INVESTMENT THAN IS POSSIBLE THROUGH THE OWNERSHIP AND MANAGEMENT OF RENTAL PROPERTIES. THIS HAS, I BELIEVE, RESULTED IN THE MARKET VALUE OF RENTAL BUILDINGS BEING DEPRESSED, PARTICULARLY IN THE SHORT RUN.

THIS IS ANOTHER WAY OF SAYING THAT INVESTORS WHO ARE LOOKING FOR A REASONABLE AND IMMEDIATE RETURN ON THEIR INVESTMENT WILL NOT BE ATTRACTED TO OUR RENTAL REAL ESTATE MARKET. HOWEVER, AS WE HAVE NOW SEEN, THERE ARE FOREIGN INVESTORS WHO ARE LOOKING FOR A LONGER-TERM RETURN ON THEIR INVESTMENT IN A PLACE OF CERTAIN POLITICAL AND ECONOMIC STABILITY, AND WHO ARE APPARENTLY ATTRACTED BY THE RENTAL MARKET IN ONTARIO.

MR. SPEAKER, IT IS IN THE CONTEXT OF THIS MUCH LARGER ISSUE OF HOUSING SUPPLY AND MANAGEMENT IN ONTARIO THAT WE MUST LOOK AT THE CADILLAC-FAIRVIEW SALE. IT IS MINDLESS TO SIMPLY DEMAND THAT A SALE BE STOPPED OR THAT RENTS BE FROZEN. THE PROVISION OF HOUSING IS A LARGE AND IMPORTANT INDUSTRY IN ONTARIO AND UNLESS THE MEMBERS OPPOSITE ARE ADVOCATING THAT THE GOVERNMENT TURN THE PROVISION OF HOUSING INTO SOME GIGANTIC PUBLIC UTILITY RUN BY THE GOVERNMENT, THEN THEY TOO HAVE AN OBLIGATION TO PROPOSE SOLUTIONS TO THE PRESENT SITUATION THAT RECOGNIZE THE ROLE PLAYED BY INVESTMENT BY THE PRIVATE SECTOR. WE ON THIS SIDE OF THE HOUSE WISH TO KEEP AS MUCH OF THE HOUSING STOCK AS POSSIBLE IN THIS PROVINCE IN THE HANDS OF PRIVATE INDIVIDUALS. THIS MAY REQUIRE US TO MAKE WHAT, AT THE MOMENT, MAY BE LESS POPULAR DECISIONS THAN THOSE THAT THE MEMBERS OPPOSITE ARE INCLINED TO MAKE, SAFE IN THE KNOWLEDGE THAT THEY WILL NEVER BE IN A POSITION OF HAVING TO IMPLEMENT THEM OR TO BEAR THE ULTIMATE CONSEQUENCES OF THEM.

MY APPROACH TO THE PROBLEMS CREATED BY THE CADILLAC-FAIRVIEW SALE IS BASED ON THE BELIEF THAT ANY SOLUTION MUST BE FAIR TO BOTH TENANTS AND LANDLORDS AND THAT IT MUST PREVENT THE PRESENT MARKET SITUATION IN ONTARIO FROM BECOMING A HAPPY HUNTING GROUND FOR FAST BUCK SPECULATORS. IN DOING SO, I MUST ADMIT, MR. SPEAKER, THAT WE ARE ATTEMPTING TO RECONCILE VARIOUS INTERESTS THAT ARE AND WILL BE VERY DIFFICULT TO RECONCILE. I DO NOT HAVE ALL OF THE ANSWERS NOR AM I AWARE OF ANYONE ELSE WHO DOES. THE SUGGESTIONS TO DATE FROM THE MEMBERS OPPOSITE CLEARLY DEMONSTRATE THAT THEY FALL WITHIN THE SAME CATEGORY.

MR. SPEAKER, TURNING TO THE SPECIFIC STEPS THAT I WILL BE TAKING, IN THE SHORT TERM, I WOULD LIKE TO RELATE THEM TO SEVERAL DIFFERENT TYPES OF PROBLEMS THAT HAVE BEEN IDENTIFIED AS A RESULT OF THE CADILLAC-FAIRVIEW SALE.

1. THE GREATEST PUBLIC CONCERN OVER THESE SALES IS THE POTENTIAL IMPACT ON RENTS THAT MAY ARISE OUT OF THE COST PASS-THROUGH OF THE PROFITS TAKEN OUT OF THESE PROPERTIES. TO ENSURE THAT THERE WILL NOT BE AN INEQUITABLE PASS-THROUGH OF THESE PROFITS, I PROPOSE TO DO TWO THINGS. FIRST, I WILL BE INTRODUCING A RENT RESTRAINT BILL WHICH WILL COVER THE PRESENT SITUATION UNTIL A MORE DETAILED AND THOUGHTFUL SOLUTION CAN BE PUT IN PLACE. THIS BILL WILL PROVIDE THAT THE MAXIMUM RENT INCREASE ATTRIBUTABLE TO A PASS-THROUGH OF FINANCING COSTS ARISING OUT OF A SALE OF RENTAL PROPERTY WILL BE LIMITED TO 5%. THE BILL WILL ALSO SUSPEND THE APPLICATION OF THE PROVISIONS OF THE RESIDENTIAL TENANCIES ACT THAT PROVIDE FOR THE APPORTIONMENT OF A RENT INCREASE AMONG THE VARIOUS RENTAL UNITS IN A RENTAL COMPLEX. THIS WILL FURTHER ASSIST IN AVOIDING EXCESSIVE RENT INCREASES. IT IS PROPOSED THAT THE BILL APPLY TO ALL APPLICATIONS TO THE RESIDENTIAL TENANCY COMMISSION MADE AFTER OCTOBER 31st, 1982.

SECONDLY, I WISH TO ANNOUNCE THAT THE RESIDENTIAL
TENANCY COMMISSION HAS DEVELOPED A NUMBER OF NEW
GUIDELINES WHICH ARE BEING DISTRIBUTED TO-DAY FOR USE BY
COMMISSIONERS IMMEDIATELY. INCLUDED IN THE NEW
GUIDELINES ARE THE FOLLOWING:

- A. WHERE A RENT INCREASE IS BASED ON INCREASED

 FINANCIAL COSTS ARISING OUT OF A SALE OF THE RENTAL

 PROPERTY, THE COST-PASS-THROUGH TO THE TENANTS MAY

 BE SPREAD OVER FIVE YEARS INSTEAD OF THE THREE-YEAR

 PERIOD NOW BEING USED.
- B. WHERE A LANDLORD'S COST RECOVERY IS SPREAD OVER A PERIOD OF YEARS, THE INTEREST CHARGES ON THE COSTS NOT COVERED BY RENT INCREASES MAY BE DISALLOWED AS A FINANCIAL COST.
- C. WHERE A RESIDENTIAL COMPLEX IS RESOLD WITHIN THREE
 YEARS OF ITS ACQUISITION, THE INCREASED COSTS

 ARISING OUT OF THE RESALE MAY BE DEFERRED UNTIL THE
 INCREASED COSTS ARISING OUT OF THE FIRST SALE HAVE
 BEEN BUILT INTO THE RENT, BUT IN NO EVENT SHALL THE
 COSTS ARISING OUT OF ANY RESALE BE BUILT INTO THE
 RENT WITHIN THREE YEARS OF THE IMMEDIATELY
 PRECEDING SALE. FOR THE PURPOSES OF THIS
 GUIDELINE, A SALE INCLUDES THE TRANSFER OF A RIGHT
 TO BUY THE RESIDENTIAL COMPLEX.

AS I INDICATED EARLIER, THE PROPOSED RENT RESTRAINT BILL 2. IS INTENDED TO BE AN INTERIM MEASURE TO DEAL WITH THE IMMEDIATE SITUATION UNTIL WE CAN FIND A MORE PERMANENT SOLUTION. IN ORDER TO PROVIDE THE WIDEST POSSIBLE INPUT INTO THE PROCESS OF FINDING BETTER SOLUTIONS TO THE CURRENT PROBLEMS OF OUR HOUSING MARKET, I WISH TO ANNOUNCE THAT STUART D. THOM, Q.C., FORMERLY THE TREASURER AND NOW A LIFETIME BENCHER OF THE LAW SOCIETY OF UPPER CANADA WILL BE APPOINTED TO CONDUCT AN INQUIRY UNDER THE PUBLIC INQUIRIES ACT. THE COMMISSIONER WILL HAVE BROAD TERMS OF REFERENCE TO LOOK INTO THE APPLICATION OF THE EXISTING LAWS TO THE REGULATION OF RENTS AND TO MAKE RECOMMENDATIONS ON CHANGES THAT WILL ELIMINATE OR REDUCE ANY OF THE INEQUITIES THAT HAVE BEEN FOUND IN THE PRESENT SYSTEM. ONCE AGAIN, I WOULD EMPHASIZE THAT THE PURPOSE OF THIS REVIEW IS NOT TO FIND WAYS TO ADVANTAGE EITHER LANDLORDS OR TENANTS, BUT RATHER TO COME UP WITH THE MOST EQUITABLE SET OF RULES FOR THE CONTROL OF RENTS AND RELATED PROBLEMS AS IS POSSIBLE. I HAVE ASKED THE COMMISSIONER TO MAKE HIS REPORT AT THE FARITEST POSSIBLE DATE, AND HAVE FNCOURAGED HIM FURTHER. TO BRING FORTH INTERIM REPORTS AND RECOMMENDATIONS DURING THE COURSE OF HIS REVIEW, SO THAT THE GOVERNMENT MAY ACT ON HIS ADVICE WITHOUT UNDUF DELAY.

THE FIRST OF TWO AREAS OF PARTICULAR CONCERN TO ME ON WHICH I BELIEVE AN INTERIM REPORT WOULD BE HELPFUL IS THE PROBLEM OF TAKING INTO ACCOUNT THE EFFECT OF RENT INCREASES THAT HAVE BEEN GRANTED TO COVER COSTS THAT ARE INCURRED ONLY OVER A SHORT PERIOD OF TIME. IF A PARTICULAR COST THAT HAS JUSTIFIED A RENT INCREASE CEASES TO EXIST, THEN THERE SHOULD BE A PROCEDURE BY WHICH THIS CHANGE IN CIRCUMSTANCES CAN BE TAKEN INTO ACCOUNT, AND IN APPROPRIATE CASES THE RENT REDUCED ACCORDINGLY.

THE SECOND AREA OF PARTICULAR CONCERN TO ME IS THE ABSENCE OF A REGISTRY OF RENTS. SO LONG AS NO ONE CAN ADEQUATELY TRACK THE RENT CHANGES FROM TENANT TO TENANT, IT IS EXTREMELY DIFFICULT TO DETERMINE WHETHER THE 6% LIMIT ON RENT INCREASES MADE BY A LANDLORD ALONE, HAS BEEN HONOURED. I WOULD LIKE THE COMMISSIONER TO GIVE EARLY ATTENTION TO STEPS THAT COULD BE TAKEN TO PERMIT THE USE OF SECTION 33 OF THE RESIDENTIAL TENANCIES ACT. THIS SECTION PROVIDES FOR SUCH A REGISTRY, BUT MEMBERS MAY RECALL THAT IT WAS NOT PROCLAIMED AS THE ENFORCEMENT PROVISIONS RELATING TO IT WHERE AFFECTED BY THE DECISION OF THE SUPREME COURT OF CANADA ON THE VALIDITY OF THE ACT.

IN THE EXPECTATION THAT WE WILL BE ABLE TO INTRODUCE COMPREHENSIVE LEGISLATION NO LATER THAN THE FALL OF 1983, THE PROPOSED RENT RESTRAINT BILL WILL BE SUNSET TO EXPIRE ON DECEMBER 31, 1983.

3. AT THE SAME TIME AS THE COMMISSIONER IS REVIEWING THE CURRENT RENT REVIEW LEGISLATION, THE MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING WILL BE CARRYING OUT A THOROUGH ANALYSIS OF THE OVERALL HOUSING MARKET, AND EXAMINING CONDITIONS PREVAILING IN BOTH RENTAL AND PRIVATE HOUSING AREAS.

IT IS IMPERATIVE, MR. SPEAKER, THAT ALL OF ONTARIO'S CITIZENS BE TREATED EQUITABLY - WHETHER THEY ARE RENTERS OR HOMEOWNERS - AND THEREFORE ALL ASPECTS OF HOUSING MUST BE EXAMINED.

THE MINISTRY WILL PRESENT THE COMMISSIONER WITH ITS FINDINGS ON THE RELATIONSHIP OF THE MARKET TO THE RENT REVIEW PROCESS, TOGETHER WITH ITS RECOMMENDATIONS FOR IMPROVING THE AVAILABILITY OF HOUSING - PRIVATE AND RENTAL; MULTIPLE AND SINGLE UNIT.

THE ISSUE IS A COMPLEX ONE, WITH EACH SEGMENT OF THE HOUSING MARKET RELATING DIRECTLY TO THE NEXT, AND WITH ALL THREE LEVELS OF GOVERNMENT INVOLVED.

BECAUSE OF THIS, THE STATE OF THE RENTAL HOUSING MARKET CANNOT BE VIEWED IN ISOLATION - ISOLATION FROM THE REST OF THE HOUSING MARKET, NOR IN ISOLATION FROM THE ROLE THE FEDERAL GOVERNMENT HAS PLAYED, AND MUST PLAY.

4. AN ADDITIONAL QUESTION ARISING OUT OF THE CADILLAC-FAIRVIEW SALE WHICH I MUST ADDRESS BECAUSE OF MY RESPONSIBILITIES FOR LOAN AND TRUST COMPANIES AND ALSO BECAUSE OF ITS IMPACT ON THE EVENTUAL LEVEL OF RENTS THAT MAY BE JUSTIFIED BY THE SALE, IS THE QUESTION OF THE VALUE OF THE PROPERTIES FOR MORTGAGE PURPOSES. UNDER THE LOAN AND TRUST CORPORATIONS ACT AN ONTARIO TRUST COMPANY MAY NOT LEND MONEY BY WAY OF MORTGAGE WHERE THE PROPERTY PROVIDING SECURITY FOR THE LOAN IS MORTGAGED TO MORE THAN 75% OF ITS VALUE. I AM SURE THAT MANY MEMBERS HAVE READ OR HEARD THE VARIOUS MEDIA ACCOUNTS THAT SPECIILATE ON THIS QUESTION OF VALUE. SEVERAL PERSONS IDENTIFIED AS EXPERTS IN THE FIELD HAVE GIVEN SOMEWHAT DIVERGENT VIEWS ON WHAT THE VALUE OF THESE PROPERTIES REALLY IS. AS THIS IS A MATTER OF CONSIDERABLE IMPORTANCE TO THE ADMINISTRATION OF THE LOAN AND TRUST CORPORATIONS ACT, I HAVE, PURSUANT TO MY POWERS UNDER SECTION 152 OF THAT ACT APPOINTED MR. JAMES A. MORRISON, F.C.A., OF THE FIRM OF TOUCHE ROSS TO MAKE A SPECIAL EXAMINATION AND AUDIT OF THE BOOKS, ACCOUNTS AND SECURITIES, AND TO INQUIRE GENERALLY INTO THE CONDUCT OF THE BUSINESS OF THE SEVERAL TRUST COMPANIES IN PROVIDING MORTGAGES FOR THE CADILLAC-FAIRVIEW SALE. IN ACCORDANCE WITH THE PROVISIONS OF SECTION 152 OF THE LOAN AND TRUST CORPORATIONS ACT, MR. MORRISON WILL HAVE THE POWERS OF A COMMISSION UNDER PART II OF THE PUBLIC INQUIRIES ACT FOR THE PURPOSE OF HIS EXAMINATION AUDIT AND INQUIRY.

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TO PROVIDE THE NECESSARY LEGAL ASSISTANCE IN THE PROCESS, THE LAW FIRM OF FRASER BEATTY HAS BEEN RETAINED AS COUNSEL. AS THE FINDINGS OF THIS REVIEW MAY HAVE SOME IMPACT ON THE MOST RECENTSALE AND ON THE ASSESSMENT OF THE RENT REVIEW PROCESS IN GENERAL, I WILL BE REFERRING THE REPORT MADE BY MR. MORRISON TO THE COMMISSIONER, MR. STUART D. THOM, FOR HIS CONSIDERATION. IN RESPECT OF THIS REVIEW, MR. SPEAKER, I WOULD LIKE TO SAY THAT SOME OF THE COMPANIES INVOLVED IN THIS SERIES OF TRANSACTIONS HAVE OFFERED TO PROVIDE US WITH THEIR FULL CO-OPERATION AND I DO NOT EXPECT THE SECTION 152 REVIEW TO BE A LENGTHY MATTER.

MR. SPEAKER, I WISH TO EMPHASIZE AGAIN THAT WE ARE NOT DEALING WITH A SIMPLE PROBLEM THAT LENDS ITSELF TO EASY SOLUTIONS. I SINCERELY HOPE THAT WE CAN ARRIVE AT SOLUTIONS THAT DO NOT COMPROMISE THE INTERESTS OF BOTH THE TENANTS AND THE LANDLORDS IN WAYS THAT MAY NOT BE ACCEPTABLE TO EITHER. OUR GOAL IS TO COME OUT OF THE VARIOUS REVIEWS THAT I HAVE JUST OUTLINED WITH RECOMMENDATIONS FOR IMPROVED LEGISLATION THAT WILL ENABLE BOTH SMALL AND LARGE LANDLORDS TO MANAGE THEIR PROPERTIES FAIRLY WITH A REASONABLE RETURN ON THEIR INVESTMENTS, WHILE AT THE SAME TIME ENSURING THAT THE TENANTS ARE FAIRLY TREATED BY THE PROCESS. IDEALLY WE WILL ALSO BE ABLE TO MAINTAIN A MARKET FOR RENTAL REAL ESTATE THAT WILL BE ATTRACTIVE TO INVESTORS AND THAT DOES NOT DEPEND FOR ITS SUCCESS ON THE TAKING OF LARGE SHORT-TERM PROFITS OR ON THE IMPOSITION OF SUDDEN AND MASSIVE INCREASES IN RENT.

ONTARIO HAS ALWAYS BEEN AN EQUITABLE SOCIETY WITHIN WHICH PEOPLE COULD LIVE AND PURSUE THEIR OWN LIVES AS WELL AS A SAFE AND PROFITABLE PLACE FOR INVESTMENT. IN MY OPINION, THIS IS A BALANCE WHICH WE MUST PRESERVE.



Statement by the Minister dated January 7, 1983



STATEMENT

BY

THE HONOURABLE ROBERT G. ELGIE, M.D.

MINISTER OF CONSUMER AND COMMERCIAL RELATIONS

MADE IN TORONTO

ON

FRIDAY, JANUARY 7, 1983

I WISH TO ANNOUNCE THAT FOLLOWING A MEETING OF THE ONTARIO CABINET TO-DAY, THE LIEUTENANT-GOVERNOR-IN-COUNCIL HAS ORDERED THE REGISTRAR OF LOAN AND TRUST CORPORATIONS TO TAKE POSSESSION AND CONTROL OF THE ASSETS OF SEAWAY TRUST COMPANY, GREYMAC TRUST COMPANY AND CROWN TRUST COMPANY, PURSUANT TO SECTION 158A OF THE LOAN AND TRUST CORPORATIONS ACT.

THE DECISION TO PROCEED UNDER THE NEW POWERS CONTAINED IN THE AMENDMENTS TO THE ACT MADE ON DECEMBER 21, 1982, WAS TAKEN BY THE PROVINCE IN CONSULTATION WITH THE CANADA DEPOSIT INSURANCE CORPORATION AND IN THE BELIEF THAT IN EACH CASE, AMONG OTHER THINGS, "THERE EXISTS A PRACTICE OF OR STATE OF AFFAIRS WITHIN THE CORPORATION THAT IS OR MAY BE PREJUDICIAL TO THE PUBLIC INTEREST OR TO THE INTERESTS OF THE CORPORATION'S DEPOSITORS, CREDITORS OR SHAREHOLDERS".

I BELIEVE THAT IT IS ABSOLUTELY ESSENTIAL THAT THE PUBLIC BE ABLE TO DEAL WITH TRUST COMPANIES IN THIS PROVINCE WITH CONFIDENCE THAT THEIR INVESTMENTS ARE BEING MANAGED IN A RESPONSIBLE MANNER AND WITHOUT UNDUE RISK. RECENT EVENTS INVOLVING THE MORTGAGING OF SOME 11,000 APARTMENT UNITS HAVE GIVEN RISE TO QUESTIONS ABOUT THE LENDING PRACTICES OF THE THREE TRUST COMPANIES NAMED ABOVE.

THE REGISTRAR TOOK POSSESSION AND CONTROL OF THE THREE COMPANIES THIS AFTERNOON AND WILL PROCEED IMMEDIATELY TO DETERMINE WHETHER THE STATE OF AFFAIRS IN EACH TRUST COMPANY IS IN FACT PREJUDICIAL TO THE PUBLIC INTEREST OR TO THE INTERESTS OF THE CORPORATIONS' DEPOSITORS, CREDITORS OR SHAREHOLDERS.

IN ORDER TO CARRY OUT HIS RESPONSIBILITIES, THE REGISTRAR HAS ENLISTED THE ASSISTANCE OF A GROUP OF EXPERIENCED BUSINESS AND PROFESSIONAL MEN WHO WILL ASSIST HIM IN THE REVIEW AND MANAGEMENT OF THE THREE TRUST COMPANIES. THESE INCLUDE:

ALLEN T. LAMBERT, A FORMER CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE TORONTO-DOMINION BANK.

THOMAS 'J. BELL, CHAIRMAN AND FORMER CHIEF EXECUTIVE OFFICER OF ABITIBI-PRICE INC.

A. ROY VOELKER, C.A., A FORMER CHIEF FINANCIAL OFFICER WITH GREAT NORTHERN CAPITAL, A LAND DEVELOPMENT COMPANY.

J. David Taylor, Q.C., a director of Hudson Bay Mining and Smelting Co., Ltd. and a former senior officer with companies in the Anglo-American group.

AINSLIE ST. CLAIR SHUVE, WHO AT THE TIME OF HIS RETIREMENT IN JANUARY 1980 WAS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF CROWN TRUST CORPORATION.

PENDING THE COMPLETION OF THE REGISTRAR'S REVIEW OF THE

STATE OF AFFAIRS IN THESE COMPANIES, WHICH REVIEW WILL BE

COMPLETED AS QUICKLY AS POSSIBLE AND HOPEFULLY IN NOT MORE

THAN TWO WEEKS' TIME, THE NORMAL OPERATIONS OF THE COMPANIES

WILL BE INTERRUPTED TO SOME DEGREE. IN VIEW OF THIS,

ARRANGEMENTS HAVE BEEN MADE WITH THE CANADA DEPOSIT

INSURANCE CORPORATION TO PROVIDE AN ALTERNATIVE SOURCE OF

FUNDS FOR THE COMPANIES, AND EACH DEPOSITOR WILL BE

ABLE TO WITHDRAW, WHEN DUE, UP TO \$20,000 FROM EACH OF THE

THREE TRUST COMPANIES IN WHICH THE DEPOSITOR HAS DEPOSITS.

THOSE OFFICES OF THE TRUST COMPANIES, WHICH WOULD OTHERWISE

BE OPEN ON SATURDAY, WILL NOT BE OPEN UNTIL MONDAY MORNING.

BECAUSE OF THESE ARRANGEMENTS, ANYONE WHO WITHDRAWS FUNDS

FROM THESE TRUST COMPANIES DURING THE REVIEW PERIOD, WHETHER

FROM ACCOUNTS, GUARANTEED INVESTMENT CERTIFICATES OR OTHER

TYPES OF DEPOSITS, WILL BE REQUIRED TO SIGN A RELEASE FORM

IN RESPECT OF THE DEPOSIT INSURANCE THAT MIGHT OTHERWISE

APPLY TO SUCH FUNDS. THE DISPOSITION OF ALL DEPOSITS IN

EXCESS OF \$20,000 MUST AWAIT THE OUTCOME OF THE REGISTRAR'S

REVIEW.

I REGRET THAT IT HAS BEEN NECESSARY TO TAKE THIS ACTION. I
BELIEVE THAT MY OBLIGATIONS, PRIMARILY TO THE DEPOSITORS,
BUT ALSO TO THE SHAREHOLDERS, THE GENERAL PUBLIC AND TO
OTHER LOAN AND TRUST CORPORATIONS AS WELL, REQUIRE THAT
THESE STEPS BE TAKEN.

IN MY STATEMENT TO THE LEGISLATURE ON DECEMBER 21, 1982

CONCERNING THE SPECIAL EXAMINATION OF THESE THREE TRUST

COMPANIES BY MR. JAMES A. MORRISON, F.C.A., I STATED THAT I

WOULD BE IN A POSITION TO REPORT TO THE LEGISLATURE WITH

REGARD TO MR. MORRISON'S WORK WHEN THE LEGISLATURE

RECONVENES LATER THIS MONTH. I EXPECT AT THAT TIME THAT I

WILL ALSO BE ABLE TO REPORT ON THE REGISTRAR'S REVIEW OF THE

STATE OF AFFAIRS OF THE THREE TRUST COMPANIES. IN THE

MEANTIME, I WILL NOT BE MAKING ANY FURTHER COMMENTS ON THIS

MATTER UNLESS SOME NEW DEVELOPMENT OCCURS THAT REQUIRES SUCH

COMMENT.



Chartered Accountaints

December 16, 1982

Crown Trust Company c/o Walter Traub, Esq. Messrs. Gordon, Traub & Rotenberg Barristers & Solicitors 5th Floor 390 Bay Street Toronto, Ontario M5H 2Y2

Dear Mr. Traub:

Inquiry under the Loan and Trust Corporations Act

In connection with the inquiry I am conducting under the Loan and Trust Corporations Act, I require the following information and documentation.

- 1. A schedule listing all mortgages, loans, consumer loans and joint venture activities as at October 31, 1982 and November 30, 1982, with the following information:
 - (a) date of transaction and type of mortgage (i.e., first, second, third or wrap mortgage)
 - (b) name of borrower
 - (c) amount of transaction and balance due
 - (d) interest rate
 - (e) maturity date
 - (f) file number
 - (g) description of property and/or security
 - (h) arrears, if any

The above schedule should indicate which mortgages, loans, or joint venture are directly or indirectly to Kilderkin Investments or companies or officers related to Kilderkin Investments.

2. For the year ending December 31, 1983, detailed cash flow and profit and loss projections by month, and a projected balance sheet as at December 31, 1983, with supporting calculations and assumptions used in making such cash flows and projections.



- 3. For the mortgages listed on Appendix A, we wish access to all documentation including at least the following:
 - (a) mortgage documents
 - (b) appraisals supporting property values
 - (c) reporting letter from lawyer
 - (d) loan application, Ioan approval, credit information.
- 4. Schedule setting out calculations supporting borrowing limits as at October 31, 1982 and November 30, 1982.
- 5. Details of real estate investment properties at October 31, 1982 and November 30, 1982, including:
 - (a) location of property
 - (b) date of purchase
 - (c) purchase price, and all mortgage details
 - (d) name and address of vendor
 - (e) name of tenant(s) and details of lease(s).
- 6. The following information as at October 31, 1982 and November 30, 1982:
 - (a) Details of term deposits and securities, including type of security, interest rate, maturity date, etc.
 - (b) Details as to the make-up of any goodwill and organization expense, and also of other assets.
 - (c) Amounts and maturity dates by month of guaranteed investment certificates and bonds.
 - (d) Details of major components of accounts payable and accrued expenses of over \$500,000.
 - (e) A breakdown of mortgages payable as to property, mortgagee, interest rate, maturity date, for all mortgages in excess of \$500,000.
- 7. An analysis setting out date and payor/payee of the following revenue and expense items for the current fiscal year to November 30, 1982:
 - (a) fees and commissions
 - (b) real estate investment properties
 - (c) gain on sale of securities

for individual transactions in excess of \$50,000.



- 8. Copy of Agreement of Purchase and Sale with Greymac Credit Corporation as vendor and Kilderkin as purchaser.
- 9. Copies of Agreements of Purchase and Sale with Kilderkin as vendor and the purchasers of the former Cadillac Fairview properties ("Numbered Companies") (1 for each property).
- 10. Copies of leases from Numbered Companies to Kilderkin (1 for each property).
- 11. Copies of syndication or trust agreements for all Greymac/Crown/ Seaway mortgages.
- 12. Copies of all FIRA opinions obtained from solicitors, referred to as conditions of mortgage approvals.
- 13. Copies of solicitors' reporting letters on transactions related to the acquisition of and mortgages on the former Cadillac Fairview properties.
- 14. Names and addresses of all beneficial owners of all companies that now own the former Cadillac Fairview properties.
- 15. Copies of all agreements pertaining to the ownership and use of the sums (\$109 million) on deposit, and location of deposit.
 - 16. Particulars of all letters of credit issued by banks, foreign banks, and others to investors in former Cadillac Fairview properties.
 - 17. Particulars of \$15 million held on deposit by Crown Trust, in trust, and copies of all agreements pertaining to ownership and use of same.
 - 18. Details of other cash, securities and deposits held for protection of investors and/or trust companies in these transactions.
 - 19. Copies of all valuations, appraisals, credit reports, loan applications, loan approvals, minutes of meetings of loan committees, directors and others, re all mortgage loans on former Cadillac Fairview properties.
 - 20. Projected 10-year cash flows from former Cadillac Fairview properties.
 - 21. Minutes of meetings of Directors, Committees of Directors (if any) and Shareholders and/or proceedings by way of resolution in writing from October 1, 1982 to date and a statement of quorum requirements for attendance at each meeting of Directors, Committee of Directors and Shareholders.
 - 22. Listing of Shareholders showing the holders of record of all classes of Shares as at October 1, 1982 and changes from that date to date. If shareholders are companies, the names of the beneficial owners.



- 23. Schedule of Directors showing appointments and resignations for Crown Trust Company from October 1, 1982 to date.
- A copy of the rights, privileges, restrictions and other conditions attached to each series of each class of shares of Crown Trust Company outstanding since October 1, 1982.
- 25. The identity of any substantial shareholder of the company and a list of all companies in which a substantial shareholder or a director or officer of the companies or spouse or child or such officer or director has a significant interest. Substantial shareholder and significant interest are defined in Section 191 of the Loan and Trust Corporations Act, Ontario.
- 26. A summary of all corporate investments which represent a 10% or greater financial interest of the investee.

Although this letter is addressed to the company in care of its solicitor of record in this inquiry, response from the solicitors as well as the company would be appreciated.

I require your written response to this request for documents and information by Wednesday, December 22, 1982, but I would be grateful to hear from you immediately as to whether you intend to comply.

Yours very truly,

James A. Morrison

/ml

c.c. L. Hynes, Q.C.



Preliminary report of the Inquiry dated December 23, 1982



Touche Ross & Co.

Chartered Accountants

December 23, 1982

The Honourable Robert G. Elgie, Minister of Consumer and Commercial Relations, 555 Yonge Street, Toronto, Ontario. M7A 2H6

Dear Dr. Elgie,

I wish to give you a preliminary report on progress made to date, concerns which have been raised, and tentative conclusions since my appointment under the Loan and Trust Corporations Act on November 23, 1982. In addition, I wish to point out the work program to be covered during the next few weeks and some of the roadblocks I anticipate in completing that plan.

Process to Date

After the announcement of my appointment by you in the legislature, I had some preliminary meetings with representatives of your Ministry along with my legal counsel, Fraser & Beatty.

Based on these discussions and information obtained, I held a meeting in our office in the afternoon of November 24 of those representatives from my firm, Fraser & Beatty and your Ministry who were actively involved in the investigation. There were eighteen people represented at that meeting including ten from our firm and three from Fraser & Beatty. The purpose of that meeting was to review the initial program which I had drafted to commence the investigation the following morning, November 25. That program included listings of those books, records and documents which should be obtained and requested at the outset. The representatives were also requested to seek authorization from the respective companies for us to have access to their outside legal counsel and accountants.

On the morning of November 25, I and representatives from my office and of the Ministry visited each of Crown Trust Company, Seaway Trust Company and Greymac Trust Company and Greymac Mortgage Corporation. Since that date, they have been actively involved in reviewing the books, records, and documentation available at these offices relating to the Cadillac-Fairview transactions and other transactions. We have had some restrictions in obtaining ready access to the books and records and documentation which we would like to obtain. Comments on the findings to date are set out later in this letter.

In order to facilitate and speed up the process of obtaining information, we have been in contact with legal counsel for Kilderkin Investments Ltd. ("Kilderkin"), Greymac Credit Corporation ("Greymac Investments Ltd. ("Kilderkin"),

Credit") and the companies that purchased the Cadillac-Fairview properties from Kilderkin, in addition to each of the registered companies that I have been authorized to investigate. I am informed by the solicitors for Kilderkin that it is owned and controlled by Mr. William Player of Elmvale, Ontario, who now also controls Greyma Mortgage Corporation. The information which has been requested of those companies subsequent to a meeting with their counsel is set out in Appendix A to this letter.

In addition to the specified trust and loan companies, I am my representatives have had meetings with senior officers of Cadilla Fairview, Laventhol & Horwath (consultants to Cadillac-Fairview in determining the price of the properties which were sold), Ernst & Whinney (the auditors of Crown Trust and Greymac Trust), Peat Marwic Mitchell & Co. (the former auditors of Crown Trust), MacGillivray & (the auditors of Seaway Trust), Kitamura, Yates, Margolis, Mastin & Champagne, solicitors for the number company purchasers, and Broadhurst & Ball, solicitors for Kilderkin and for Seaway Trust, Greymac Trust and Crown Trust in connection with the mortgages made by them on the Cadillac-Fairview properties, representatives of the Federal Department of Insurance, of the Ontario Securities Commissio and the Attorney General's Department. We have also had the benefit of the knowledge of personnel from your Ministry.

We comment as follows:

Cadillac-Fairview Transactions

My investigations of the Cadillac-Fairview transactions, which involved the sale of 10,931 residential units to some 50 number companies in 26 separate parcels, have included meetings with Cadilla Fairview's senior officers and solicitors and with the firm of accountants which assisted Cadillac-Fairview in setting prices and marketing the portfolio; obtaining and reviewing information and documents provided by Cadillac-Fairview, its solicitors and accountants; obtaining and reviewing public documents; making title searches and reviewing press releases and newspaper reports.

When Cadillac-Fairview announced its intention to sell all a its residential units and apartment buildings in February 1982, it was unsure of the prices which it might be able to obtain for such a large disposition program. It retained the accounting firm of Laventhol & Horwath, who have considerable experience in the field of apartment buildings, to do a marketing study, which included an analysis of all sales of apartment buildings in Metro Toronto for the 18 months to July 1982 and the preparation of cash flow projections. The senior management of Cadillac-Fairview believe this study was thorough and professional. Cadillac-Fairview then tested the market by selling



seven individual buildings through four different real estate brokers who specialize in apartment buildings. They established asking prices, prices they were willing to accept and terms of sale, and set up an internal pricing committee.

The \$270 million offer which Cadillac-Fairview received from Greymac Credit for the 10,931 units was comparable, on a per unit and yield basis, with the previous seven individual sales and with the Laventhol & Horwath study. Cadillac-Fairview accepted this offer on or about August 24, 1982. (Cadillac-Fairview still owns, in joint ventures with others, a large number of additional apartment buildings which I believe they intend to sell.)

I am advised that Greymac Credit Corporation resold the properties to Kilderkin for approximately \$312 million, but I have so far been unable to obtain a copy of that purchase agreement and, accordingly, I am not certain of this price or any of the other terms of this transaction. Kilderkin then resold the properties to the numbered companies (in varying combinations) for an aggregate price of approximately \$500 million. All these transactions were closed on November 5, 1982 and the registered deeds conveyed the properties directly from Cadillac-Fairview to the numbered companies. considerations shown in the Land Transfer Tax affidavits attached to the deeds total approximately \$500 million made up of existing first mortgages of about \$116 million, second mortgages back to Cadillac-Fairview of about \$107 million, new third mortgages of about \$152 million (in the said affidavits all mortgages are shown as "assumed") and cash (including consideration paid for chattels) from the purchasers (numbered companies) of about \$125 million. However, I have not yet seen any other evidence of these payments by or on behalf of the purchaser companies. The solicitors who acted for the purchaser and the firm of solicitors who acted for all three of the lending trust companies and for Kilderkin told me that they did not see any cheques or other evidences of payment by the purchaser companies on the closing of the transactions but that they had been told by their respective clients that payment had been satisfied. The new third mortgage funds were advanced by the three trust companies to the solicitors for the purchasers and were, presumably, paid by them on closing to or on the directions of Kilderkin. I am still awaiting information from these solicitors as to the precise manner in which these mortgage funds were disbursed by them.

The third mortgages referred to were given by Seaway Trust as to \$76 million, Crown Trust as to \$63 million and Greymac Trust as to \$13 million. In some cases, these mortgages are "syndicated" by all three companies and in some cases Seaway Trust alone is the mortgagee. In all cases these mortgages are expressed as "wrap-around mortgages, so that the aggregate of the stated principal amounts is about \$375 million but the aggregate of the amounts advanced by the three companies thereunder is only \$152 million. In addition to these



mortgages to the trust companies, Kilderkin took back from the purchaser companies a fourth "wrap-around" mortgage under which only a nominal amount (\$10) is said to have been advanced. Concurrently, Kilderkin also leased back each property from the owner company or companies (the "Head Lease") on a "net net" basis and has obligated itself to manage the properties on a "care free" basis so far as the owner is concerned and, in addition, has guaranteed a specific rate of return on the owner's equity investment in the property over the ten-year term of the Head Lease.

With respect to the balance of the purchase monies owing by the purchaser companies to Kilderkin, the only agreement of purchase and sale which I have seen relates to the former Cadillac-Fairview property known as Parkway Forest in the City of North York, Metropolitan Toronto. This agreement provides that the purchase price (over and above the three mortgages and the fourth mortgage to Kilderkin) is to be satisfied (i) in cash, or (ii) cash to be invested in a certificate(s) of deposit at a financial institution to the end of the term of the Head Lease, all to the purchaser's choice, the certificate(s) as to principal and interest to be paid to the vendor (Kilderkin) at the end of the term of the Head Lease, subject to provisions therein pertaining to early termination; or (iii) Letter of Credit drawn on a chartered bank of the purchaser's choice to be paid at the end of the term of the Head Lease, subject to provisions therein pertaining to early termination; or (iv) any combination of the foregoing. Any part of this consideration which was not paid in cash on closing is difficult to value because Kilderkin's right to receive it is almost certainly dependent on the fulfillment of all it: obligations under the Head Lease over the ten-year term of that lease

It appears to me that adequate procedures were followed by Cadillac-Fairview to arrive at and accept the \$270 million sale price (approximately \$24,700 per unit) as a reasonable indication of the market value of the properties in question at the time of sale. It therefore appears that the ultimate sale price of approximately \$500 million is substantially above the prevailing market and does not represent the realizable value of the properties today if such realization should become necessary.

The three trust companies that provided the third mortgage financing have on file appraisals or valuations by professional appraisers supporting these higher values. I have some questions as to the assumptions and methodology of these valuations and am looking into them further. It may be that they are appropriate for establishing the price for long-term passive investors but they do not seem appropriate for determining values for mortgage lending purposes by trust companies. I have asked the trust companies and the solicitors involved for particulars of other security, if any, held in respect of these loans and I am awaiting this information.



Before I can express a more definitive conclusion about the effects of the Cadillac-Fairview transactions on the three trust companies involved, it will be necessary to study the information and documents which have been requested, and in part received, from those companies and from Greymac Credit, Kilderkin and the companies which now own the properties. I have no assurance that such information will be made available to me by the companies which are not subject to the Loan and Trust Corporations Act. However, it is apparent from the present rents of the units that there will be substantial cash flow deficiencies over at least the next three years and probably for several years beyond that. Accordingly, it appears that the three trust companies will be dependent upon Kilderkin's ability to perform its commitments under its lease/management arrangements with the owner companies. The financial resources available to Kilderkin for these purposes are unknown to me.

Mortgage Transactions - Other

The concerns arising from my review of the Cadillac-Fairview transactions, particularly the concern that the depositors in the three trust companies may be at risk as a result of the size and third security position of the mortgages granted by them, has led me to examine other mortgage loans by all five of the companies with which this inquiry is concerned. This additional review has been hampered by two factors, the first being the failure by some of the companies (particularly Greymac Trust and Greymac Mortgage) to provide ready access to their files and the second being the fact that some of the records (particularly those of Seaway Trust) are not up to date.

This examination has concentrated on determining property values and the amounts loaned on the basis of such values and has included a review of mortgage documents, property appraisals, if any, and loan commitments and approvals. Additionally, as part of this examination, I have had title searches made for a number of properties primarily properties on which mortgages of Seaway Trust are outstanding but also on a number of properties involving Greymac Trust and Greymac Mortgage. To date, approximately twenty-five such properties have been searched. In addition, I have recently arranged for appraisals of a number of such properties to obtain further evidence of their values for mortgage purposes. These appraisals should be available shortly.

The aforesaid title searches have disclosed a number of instances where properties have been sold to a numbered company, as purchaser, which appears to be associated with Kilderkin and/or William Player and which has financed at least part of the purchase price by mortgaging the properties in question to Seaway Trust, Greyman Trust or Greymac Mortgage. Many of these properties are MURBS on which the mortgage financing provided by Seaway or Greymac, when combined with existing prior mortgages assumed by the numbered company

- 6 -

purchaser, exceeds 75% of the value of the property (and in many instances exceeds 100% of such value) if value is limited to the value of lands, buildings and chattels as shown in the lending companies files. However, for the purpose of establishing loan values, the companies have added to the value of the land, building and chattels such items as prepaid interest, mortgage arrangement fee, rental guarantee fee and cash flow deficiency payments. A typical instance is illustrated in Appendix B. Again, it may be argued that these values are appropriate for long-term equity investment by investors who can take advantage of the special income tax provisions relating to the ownership of MURBS but they may not be appropriate for determining mortgage lending limits for trust and loan companies. I am advised by a senior mortgage executive of a major trust company and by a former trust company executive with extensive experience in MURB financing that the normal practice is to look at a project on the basis of its intrinsic real estate value (after stripping off the MURB trappings) and to value the property on the basis of its bricks and mortar value. On this basis, a loan would be considered of up to 75% of that value to a qualified purchaser, with a preference in favour of an owner-occupier.

Tentative Conclusions

My conclusions on the basis of my information to this date is that Seaway Trust and Greymac Trust are probably not in satisfactor financial condition and that their respective depositors may accordingly be at risk. This conclusion is based primarily on the large number of mortgage loans which each has made on MURB's and other properties at valuations which are substantially above normal market values for lending purposes. Further, particularly in the case of Seaway, there is a substantial involvement in projects in which Kilderkin and/or William Player are also involved. The viability of these projects appears to be dependent upon the financial capacity, present and future, of Kilderkin and Player as to which I have no information. It is essential to obtain full information from both of them to confirm or allay the foregoing concerns about Seaway and Greymac Trust.

I am concerned at the significant changes in the conduct of the business of Crown Trust which have occurred since its control has passed to Greymac Credit. Further reference is made to this in Appendix C.

I have attached as Appendix C some additional comments about the business of Crown Trust, Greymac Trust and Seaway Trust.

The only copy of this letter has been furnished to Fraser $\mbox{\tt \&}$ Beatty.

DOUGHE ROSS

Yours very truly,

James A. Morrison

Chartered Accountants

December 16, 1982

APPENDIX A

Greymac Trust Company c/o Walter Traub, Esq. Messrs. Gordon, Traub & Rotenberg Barristers & Solicitors 390 Bay Street 5th Floor Toronto, Ontario M5H 2Y2

Dear Mr. Traub:

Inquiry under The Loan and Trust Corporations Act

In connection with the inquiry I am conducting under The Loan and Trust Corporations Act, I require the following information and documentation.

- 1. A schedule listing all mortgages, loans, consumer loans and joint venture activities as at October 31, 1982 and November 30, 1982, with the following information:
 - (a) date of transaction and type of mortgage (i.e., first, second, third or wrap mortgage)
 - (b) name of borrower
 - (c) amount of transaction and balance due
 - (d) interest rate
 - (e) maturity date
 - (f) file number
 - (g) description of property and/or security
 - (h) arrears, if any

The above schedule should indicate which mortgages, loans, or joint venture activities are directly or indirectly to Kilderkin Investments or companies or officers related to Kilderkin Investments.

2. For the year ending December 31, 1983, detailed cash flow and profit and loss projections broken down by month, and a projected balance sheet as at December 31, 1983, with supporting calculations and assumptions used in making such cash flows and projections.

- 3. For the mortgages listed on Appendix A, we wish access to all documentation including at least the following:
 - (a) mortgage documents
 - (b) appraisals supporting property values
 - (c) reporting letter from lawyer
 - (d) loan application, loan approval, credit information.
- 4. Schedule setting out calculations supporting borrowing limits as at October 31, 1982 and November 30, 1982.
- 5. Details of real estate investment properties at October 31, 1982 and November 30, 1982, including:
 - (a) location of property
 - (b) date of purchase
 - (c) purchase price, and all mortgage details
 - (d) name and address of vendor
 - (e) name of tenant(s) and details of lease(s)
- 6. The following information as at October 31, 1982 and November 30, 1982:
 - (a) Details of term deposits and securities, including type of security, interest rate, maturity date, etc.
 - (b) Details as to the make-up of any goodwill and organization expense, and also of other assets.
 - (c) Amounts and maturity dates by month of guaranteed investment certificates and bonds.
 - (d) Details of major components of accounts payable and accrued expenses of over \$500,000.
 - (e) A breakdown of mortgages payable as to property, mortgagee, interest rate, maturity date, for all mortgages in excess of \$500,000.
- 7. An analysis setting out date and payor/payee of the following revenue and expense items for the current fiscal year to November 30, 1982:
 - (a) fees and commissions
 - (b) real estate investment properties
 - (c) gain on sale of securities

for individual transactions in excess of \$50,000.



- 8. Copy of Agreement of Purchase and Sale with Greymac Credit Corporation as vendor and Kilderkin as purchaser.
- 9. Copies of Agreements of Purchase and Sale with Kilderkin as vendor and the purchasers of the former Cadillac Fairview properties ("Numbered Companies"). (1 for each company).
- 10. Copies of leases from Numbered Companies to Kilderkin (1 for each property).
- 11. Copies of syndication or trust agreements for all Greymac/Crown/Seaway mortgages.
- 12. Copies of all FIRA opinions obtained from solicitors, referred to as conditions of mortgage approvals.
- 13. Copies of solicitors' reporting letters on transactions related to the acquisition of and mortgages on the former Cadillac Fairview properties.
- 14. Names and addresses of all beneficial owners of all companies that now own the former Cadillac Fairview properties.
- 15. Copies of all agreements pertaining to the ownership and use of the sums (\$109 million) on deposit, and location of deposit.
- 16. Particulars of all letters of credit issued by banks, foreign banks, and others to investors in former Cadillac Fairview properties.
- 17. Particulars of \$15 million held on deposit by Crown Trust, in trust, and copies of all agreements pertaining to ownership and use of same.
- 18. Details of other cash, securities and deposits held for protection of investors and/or trust companies in these transactions.
- 19. Copies of all valuations, appraisals, credit reports, loan applications, loan approvals, minutes of meetings of loan committees, directors and others, re all mortgage loans on former Cadillac Fairview properties.
- 20. Projected 10-year cash flows from former Cadillac Fairview properties.
- 21. Minutes of meetings of Directors, Committees of Directors (if any) and Shareholders and/or proceedings by way of resolution in writing from August 1, 1982 to date and a statement of the quorum required for attendance at each meeting of Directors, Committee of Directors and Shareholders.
- 22. Listing of Shareholders showing the holders of record of all classes of shares as at August 1, 1982 and changes from that date to date. If Shareholders are companies, the names of the beneficial owners.



- 23. Schedule of Directors showing appointments and resignations of each trust company and mortgage company from August 1, 1982 to November 30, 1982.
- A copy of the rights, privileges, restrictions and other conditions attached to each series of each class of shares outstanding since August 1, 1982.
- 25. The identity of any substantial shareholder of the company and a list of all companies in which a substantial shareholder or a director or officer of the company or spouse or child or such officer or director has a significant interest. Substantial shareholder and significant interest are defined in Section 191 of the Loan and Trust Corporations Act, Ontario.
- 26. A summary of all corporate investments which represent a 10% or greater financial interest of the investee in each class of securities issued to the company in which the investment was made.

Although this letter is addressed to the company in care of its solicitor of record in this inquiry, response from the solicitors as well as the company would be appreciated.

I require your written response to this request for documents and information by Wednesday, December 22, 1982, but I would be grateful to hear from you immediately as to whether you intend to comply.

Yours very truly,

James A. Morrison

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c.c. L. Hynes, Q.C.



GREYMAC TRUST COMPANY

LIST OF MORTGAGE FILES REQUIRED

File No.	Name	Balance as at November 30, 1982
810442 810609 810612 810613 820275 820324 820325 820491 820552 820619 820620 820821 820712	Coolmoor Properties 483394 Ontario Ltd. Garden, Stanley Mothmellow Inv. Ltd. Trans. Nation Inc. Eischtein In Trust 484259 Ontario Ltd. 402 E. 64th St. Assoc. Axelrod, Ben 469964 Ontario Ltd. Hobtower GMC #M29 A.E.C. Company Ltd. Coolmur Properties	\$ 2,800,000.00 2,554,764.09 2,800,000.00 1,500,000.00 2,000,000.00 2,000,000.00 2,400,000.00 2,188,386.60 3,600,000.00 1,000,000.00 2,500,000.00 2,200,000.00 2,500,000.00
820898 810374 810435 810464 820492	430 East 80th Street 426442 Ontario Ltd. 515310 Ontario Ltd. 471718 Ontario Ltd. City Park Apartments	10,447,350.00 62,792.88 85,050.00 100,000.00 4,000,000.00
810498 to 810607	Ontario Ltd. (lead File) \$87,190.2	b @ 110 mortgages

In addition to the mortgages above, property and/or mortgage files properties listed below have been selected, which may correspond to some of the file numbers noted above.

49	Yonge Street
193-197	Yonge Street
6	Adelaide St. West - Lunsden Building
484	Church Street
Riviere	du Loup Shopping Centre
2323	Yonge Street
393	Eglinton Avenue West
51	Yonge Street

Typical MURB mortgage financing from the files of Seaway Trust

Property	_	89-93 Westwood Road, Guelph, Ontario	
rrober of			
Mortgages	-	\$2,555,000 First	
	-	\$3,786,000 Second	
Appraisal	-	None	
Value	-	MURB value \$9,642,600	

The MURB value is made up of the following elements:

Land	\$ 528,000
Building	4,474,800
Chattels	198,000
Prepaid Interest	1,069,200
Mortgage Arrangement Fee	330,000
Rental Guarantee Fee	264,000
Cash Flow Deficiency	2,778,600
	\$9,642,600

Observations

- A) In this case, mortgages are 122% of the land, building and chattels.
- B) If the mortgagor defaults, Seaway as a 2nd mortgagee would lose \$1,140,200 or 30% of their investment based on the stated value of the land, building and chattels.



ADDITIONAL COMMENTS

Crown Trust

There have been significant changes at Crown Trust since its takeover, effective October 7, 1982, by Greymac Credit Corporation. With this assumption of control, the former chairman, vice-chairman and ten members of the Board of Crown resigned. These vacancies were filled mostly by "Greymac" people. In addition, the Executive Committee and Mortgage Committee were reconstituted and the new members are Greymac nominees. While these changes are not surprising and are normal in many corporate takeovers, because of the small size of the executive group at Crown Trust, it is clear that the overall direction and management of the company is now in the hands of the new shareholders.

The first major evidence of Greymac's influence was Crown's involvement in the Cadillac-Fairview transaction. Prior to the takeover, Crown had only limited loans and commitments relating to apartment buildings, most of which were under \$1 million. Crown's major mortgages were predominately on commercial properties rather than residential properties.

The type and size, and manner of processing and authorizing the loans on the Cadillac-Fairview properties were not within the norms previously followed by Crown Trust. Our review, while still incomplete, indicates that the loan proposal was introduced to Crown by Lyon Wexler and approved by the Mortgage Committee without all the supporting documentation, credit checks, and other analysis previously required by Crown's standard procedures.

As noted in my attached letter, I have some doubts as to the validity of the methods and underlying assumptions used in the appraisal of the Cadillac-Fairview properties for the purpose of the loans by Crown and the other two trust companies.

There are a number of other matters/transactions which are indicative of the influence which Greymac and Seaway has had on the operations of Crown Trust, for example:

- (a) Crown Trust paid \$6.7 million to Greymac Trust on October 25, 1982 for the purchase of 260,480 shares of Canadian Commercial Bank, which Greymac Trust apparently acquired "in trust" for Crown. Greymac acquired the bulk of these shares in September 1982 before it acquired control of Crown which is inconsistent with verbal representations made that Crown asked Greymac to acquire these shares on its behalf;
- (b) On October 7, 1982 (the date of the Greymac takeover of Crown) Crown and Greymac Trust each made loans of \$3.75 million to 517252 Ontario Limited, a company believed to be controlled by William Player. These loans are related to the purchase of Greymac Mortgage Corporation by the number company from Greymac Credit. These loans are each secured by a promissory note of the number company and the hypothecation respectively to Crown and Greymac Trust of 25% of the outstanding



common shares of Greymac Mortgage. The records of Seaway Trust also disclose a loan of \$1.5 million to William Player on October 20, 1982. The funds were advanced by Seaway to Kilderkin and are secured by a promissory note of William Player to Seaway Trust;

(c) Crown Trust has announced its intention to purchase all the outstanding shares of Greymac Trust at 1.75 times the book value as at October 31, 1982. The Ontario Securities Commission has intervened in some manner in this transaction but Crown has already paid a deposit of \$7.5 million to Greymac Credit on October 26, 1982.

Greymac Trust

Based on its unaudited financial statements as at October 31, 1982, Greymac Trust has total assets of \$265 million, which is three times those as at December 31, 1981. The largest increase is in mortgages which are up 2 1/2 times (with a \$20 million increase in the month of October 1982 alone). This growth has largely been funded through long-term GIC's which have increased by 425% over last year end (up \$28 million in October 1982 alone). This growth has required periodic increases in issued stock to maintain an adequate borrowing base; share issues totalling \$3.8 million were made during 1982.

Greymac Trust's internal forecast as at October 1982 show that it will have a need for substantial cash injections during the

coming year. The forecast short-fall anticipated in November 1982 of approximately \$13.5 million was covered by renewals of outstanding GIC's and/or new issues. A further \$13.8 million short-fall is anticipated in December 1982 which will have to be covered in the same manner.

Greymac Trust has prescribed procedures for reviewing and approving mortgages. However, it appears that these procedures are not always adhered to in the case of large transactions such as the loans on the Cadillac-Fairview properties where approval appears to have been given and monies disbursed on the instructions of senior executives.

Seaway Trust

Seaway Trust has experienced very substantial growth in assets over the last 24 months - from \$20 million to approximately \$450 million. Matters calling for particular comment are the following:

(a) Over 50% of Seaway's mortgages are related in some manner to Kilderkin or William Player. In most cases the mortgage payments are received from Kilderkin in its capacity as manager of the properties. It is also our understanding that Kilderkin is usually the head lessee of the property from the owner and, in many instances, guarantees to the owner the payment of all expenses, including mortgage payments.



- (b) In most cases in which Kilderkin is involved, the Seaway mortgage is, in fact, either a second mortgage or a third mortgage although it may be expressed as a "wrap-around" mortgage for a stated principal amount equal to the face amount(s) of the prior mortgage(s) plus the amount actually advanced by Seaway.
- (c) A significant number of the Seaway mortgages are on properties which have been registered as MURB's.

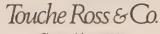
 Seaway's files indicate that the value for mortgage purposes includes not only the value of the land, buildings and chattels, but also includes the value of prepaid interest, mortgage fees, and cash flow deficiency payments. These latter can amount to 40% of the total lending value. Appendix B is an example of this type of MURB financing taken from Seaway's files.
- (d) In October 1982 Seaway loaned Greymac Credit \$8 million on a promissory note. The note was secured by a pledge to Seaway of 129,033 common shares of Crown Trust.





Supplementary Report of the Inquiry dated December 3I, 1982





Chartered Accountants

December 31, 1982

The Honourable Robert G. Elgie, Minister of Consumer and Commercial Relations, 555 Yonge Street, Toronto, Ontario. M7A 2H6

Dear Dr. Elgie,

This letter is an addendum to my preliminary report to you dated December 23, 1982. The purpose of this addendum is to advise you of the results of meetings held by me and information received since December 23, to today which add to and support more fully matters set out in the aforementioned letter. The additional comments are as follows:

Sale price of \$500 million

On page 3 of my letter of December 23 I pointed out that the solicitors who acted for the ultimate purchasers, KITAMURA, YATES, MARGOLIS, MASTIN & CHAMPAGNE (Rene Mastin is also a director of Seaway), and the solicitors who acted for the lending trust companies and Kilderkin Investments (Broadhurst & Ball) told me they did not see any cheques or other evidence of payment of the \$109,000,000 by the purchaser companies on closing of the transactions required in addition to the \$152,000,000 in new mortgage funds, but they had been told by their respective clients that arrangements to satisfy the \$109,000,000 had been made. At a meeting on December 23 with Andrew Markle, President of Seaway Trust Company, the lender of \$76,000,000 on the former Cadillac-Fairview properties, he also stated he had no first hand knowledge of payment by the purchasers on closing but presumed his legal counsel had. advised him that legal counsel had no knowledge according to statements made to me. He did not respond. Leonard Rosenberg stated at a meeting with him on December 24 that he had no first hand knowledge of the \$109,000,000 on closing.



Based on these responses and lack of information, the possibility obviously arises that a bona fide transaction did not take place and that the sale price was not \$500,000,000. It is realized that the first, second and third mortgages aggregate \$375,000,000. As stated, the solicitors and others closely involved have told me they were not aware at first hand of any payments in excess of \$375,000,000. It is likely that the records (when ultimately made available to me) will reflect a process documenting payment of the \$109,000,000 to consummate and give credibility to the transaction at \$500,000,000.

If the sale of the Cadillac-Fairview properties to the numbered companies was bona fide at \$500,000,000, the financial position of Kilderkin may still be inadequate to meet its guarantees. On the closing of the Cadillac-Fairview transactions or shortly thereafter, Kilderkin received \$152,000,000 from the new third mortgages advanced on the properties by Crown Trust, Greymac Trust and Seaway Trust. However, these funds were disbursed as to about \$113,000,000 as follows: to Cadillac-Fairview, \$40.5 million, to Greymac Credit, \$42.5 million for the purchase of the Cadillac properties and \$30 million for the purchase of the shares of Greymac Mortgage. A further \$15,000,000 was deposited with Crown Trust as additional security for its mortgage loans and \$8.1 million was paid to Green Door Investments Limited, a company which I understand is controlled by a Leonard Walton. A further \$4.7 million were disburse for land transfer tax, retail sales tax and legal fees, etc. leaving only about \$11,000,000 to Kilderkin.

Under the terms of its sale agreements with the numbered company purchasers, Kilderkin was also entitled to receive an aggregate of approximately \$109,000,000 from the purchasers.

Under the purchase agreements between Kilderkin and each of the purchaser companies, this amount was to be paid in one or other of the manners indicated on page 4 of my preliminary report. However under the Head Lease referred to at the top of page 4 of my



preliminary report, the lessor (the owner of the properties) has the right in the event of any default by Kilderkin in the performance of its obligations therein to terminate the lease and to be repaid the original balance of the purchase price in the form in which it was paid on closing of the purchase. In view of this provision, it seems reasonable to assume that the \$109,000,000, in whatever form it has been paid, is now held by the purchasers as security for the performance by Kilderkin of its obligations under each of the Head Leases. It is possible that these arrangements permit the income from these funds to be paid to Kilderkin so long as it is not in default but it seems doubtful that this would be the case. One of the methods of payment provided for in the sale agreement was:

"...cash to be invested in a certificate(s) of deposit at a financial institution upon initial terms and succeeding terms to the end of the term of the Head Lease, all to the Purchaser's choice, the certificates as to principal and interest to be paid to the Vendor (Kilderkin) at the end of the term of the Head Lease subject to provisions therein pertaining to early termination;"

This method clearly implies that the income would not be available to Kilderkin.

Another method of payment was by:

"...Letter of Credit drawn on a chartered bank of the Purchaser's choice to be paid at the end of term of the Head Lease, subject to provisions therein pertaining to early termination;"

This method also implies that the income would not be available to Kilderkin.

Clearly, on either of these bases, the <u>value</u> of the consideration for the properties would be substantially less than \$500,000,000.



It is also possible that the sale at \$500,000,000 was not bona fide. The \$109,000,000 could have been put on deposit on closing of the transactions as the result of a loan from a financial institution secured by a deposit of an equivalent amount by a foreign investor. Such a transaction could very well give the appearance of a bona fide transaction and satisfy the 75% lending requirement when in fact it was strictly an accommodation to reflect a third party consideration.

The above matters are still under investigation. Answers are required to determine if the properties were really valued in an arms-length transaction at \$500,000,000 or if the real consideration was something considerably less. The trust companies in question have advanced mortgage funds on the basis of a value of \$500,000,000. They have relied upon appraisals which reflect a value of \$500,000,000. However, the basis of such appraisals, for mortgage lending purposes, are suspect because they ignored the market sale price on a per suite basis, a normal guideline basis in the industry, and they included in value significant cash flow deficiency amounts, guaranteed by Kilderkin Investments.

Mortgage Appraisals

We have received the results of the appraisals which were requested by me on eleven properties upon which Seaway Trust are mortgagees. The properties appraised were other than Cadillac-Fairview properties. Ten of the properties were on MURB projects. These appraisals which were based on estimated market value reflect in all cases values substantially less than those values used by Seaway in the granting of mortgage financing.

By way of example, the property described in Appendix B to my preliminary report was appraised. The value used on this property by Seaway was \$9,642,600 and the mortgages advanced are in the aggregate of \$6,341,000 of which Seaway advanced \$3,786,000 on a second mortgage. The market value of the property based on the requested appraisal was in the range of \$3,000,000 to \$3,300,000.



This discrepancy of some \$6,000,000 in value supports the view expressed in my preliminary report that such value determinations do not seem appropriate for mortgage lending purposes by trust companies and that their respective depositors may accordingly be at risk.

As previously stated, it is essential to obtain information from Kilderkin and Player. Their counsel, Broadhurst & Ball, stated that this would be forthcoming very shortly but nothing has been received to date. The only evidence seen to date is an unaudited financial statement of Kilderkin as at April 30, 1982 forwarded to the Ministry at their request on December 30 which indicates a shareholder equity at that date of approximately \$300,000.

Kilderkin has given guarantees which are very substantial and in the absence of evidence as to its current financial position as a result of the Cadillac-Fairview transactions, there is little to justify the reliance which Seaway and others are placing on it.

Yours very truly,

James A. Morrison

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Supplementary Report of the Inquiry dated January 5, 1983





The Honourable Robert G. Elgie, M.D. Minister of Consumer and Commercial Relations 555 Yonge Street, 9th Floor Toronto, Ontario M7A 2H6

Dear Dr. Elgie:

You have asked me to report to you as to my views and conclusions, as of this date, on the following matters:

- A) My present view as to whether there was, in fact, a transaction or transactions, wherein \$500 million was paid for the properties in question.
- B) Whether there is any evidence that Kilderkin Investments Limited is financially capable of handling the cash-flow deficiency on the properties and, specifically, making the payments on the mortgages held by the trust companies.
- C) My views on the relative reliability and the validity of the procedures employed by Cadillac-Fairview to sell 10,931 units for a price of \$270 million, and the appraisals relied on by the trust companies, to a total of \$500 million.

My reponses, set out below, are based on the results of my examinations to date. They should be read in conjunction with my preliminary report and the addendum thereto. I must point out, however, that as the examinations are not yet complete and my conclusions must therefore be qualified by that fact.

A) I have seen no evidence to support the contention that the price actually paid by the ultimate purchasers was \$500 million. Evidence to date indicates the price to be less than that amount. The solicitor who acted for the purchasers, and the solicitors who acted for the lending trust companies and Kilderkin Investments told me they did not see any cheque or other evidence of



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payment of the required \$109 million by the purchaser companies.

On January 4th, in a meeting with Mr. William Player of Kilderkin Investments and his legal counsel I was told he could not, at that time, give me evidence of the \$109 million paid on closing, its uses, location or terms of deposit. Mr. Player's legal counsel advised me that until such time as Mr. Player visited Saudi Arabia and obtained clearance to release information with respect to the \$109 million, and the terms upon which it was paid, he would not be in a position to give evidence.

From the foregoing, I conclude that the terms upon which funds allegedly paid on closing are such that the purchasers retain some form of control thereover. Accordingly, the real value of such payment, if any, is less than the purported amount of \$109 million. I have no evidence at this time to make an assessment of what the real value might be, but I do conclude that the real purchase price is less than \$500 million.

B) I made my first request of Kilderkin Investments Limited, through their solicitors, for information as to its financial viability on December 13, 1982. Since that time, there have been a number of further requests, both oral and in writing, for such information, including a meeting with Kilderkin representatives as late as yesterday. Although promised, to date sufficient information has not been forthcoming. I was advised by Kilderkin that the audited financial statements for the last fiscal year ended April 30, 1982 have not been prepared nor are interim financial statements – prepared as a normal course of business.

Consequently, I must report to you that, as of this date, I have no evidence from which I can conclude that Kilderkin has the capacity of financing the cash flow deficiencies on the properties in question.

C) I stated in my letter of December 23, 1982, that it appears "adequate procedures were followed by Cadillac-Fairview to arrive at, and accept, the \$270 million sale price (approximately \$24,700 per unit) as a reasonable indication of market value of the properties in question at the time of sale", and stated the basis of our conclusion therein.



The senior management of the trust companies we have interviewed have, in my opinion, been unclear as to the degree of reliance they placed on the co-operative appraisal valuations prepared by H. J. Moehring & Associates, R. Hilton & Associates Limited, and Johnston/LeBar and Associates. The senior management indicated that the valuations were only a confirmation of values they had already believed were realistic and that Cadillac-Fairview had sold the properties below their true value. I have reviewed the valuation methods used in such valuation reports to the trust companies, discussed same with others and I have concluded that the methods employed are inappropriate for arriving at a proper valuation for lending purposes.

I trust the foregoing is sufficient for your purposes, and I would, of course, be pleased to expand upon these matters.

Yours very truly,

James A. Morrison





List of witnesses examined under oath by the Inquiry



WITNESS EXAMINED UNDER OATH

DATE	WITNESS
January 4, 1983	Statement by counsel for Kilderkin and Player
January 13, 1983	Andrew Markle
January 17, 1983	Walter Traub Pierre Desmarais
January 19, 1983	Philip Jupp David Allport
January 20, 1983	John Linthwaite James Walton
January 21, 1983	Andrew Markle
January 24, 1983	Stanley Stewart Barry Walton
January 25, 1983	Edward Marchant
January 26, 1983	Stanley Stewart Robert Hamilton
January 27, 1983	Donald Champagne David Cowper
January 28, 1983	William Player
January 31, 1983	William Player
February 2, 1983	Hans Moehring
February 3, 1983	Lorne LeBar Roy Hilton
February 4, 1983	Murray Ross
February 8, 1983	Leonard Walton
February 9, 1983	A.N. Tait
February 11, 1983	A. Reynolds Mastin
February 14, 1983	Edwin Cogan Rudy Braun

DATE	WITNESS
February 15, 1983	Joan Kyle Byron Dailey
February 16, 1983	Victor Prousky
February 24, 1983	Gerald Sheff
February 25, 1983	Timothy Howard
March 3, 1983	Roger Wilson Robert McDowell
March 4, 1983	Andrew Markle
March 8, 1983	James Cameron
March 11, 1983	Richard Lemon
March 18, 1983	Charles James
March 28, 1983	Robert Hall
April 11, 1983	Leonard Rosenberg
April 14, 1983	Victor Prousky
April 15, 1983	Walter Traub Victor Prousky
April 18, 1983	Walter Traub
April 19, 1983	Barry Rotenberg
May 3, 1983	Lyon Wexler
May 4, 1983	Lyon Wexler
May 6, 1983	Leonard Rosenberg
May 13, 1983	Leonard Rosenberg

Decision of O'Brien, J. released February 7, 1983 re motion to quash Inquiry on 'fairness' issue



IN THE SUPREME COURT OF ONTARIO (Toronto Motions Court)

IN THE MATTER OF the Constitution Act. 1982, section 24;

AND IN THE MATTER OF the Judicial Review Procedure Act, R.S.O. 1980,

BETWEEN:

SEAWAY TRUST COMPANY and SEAWAY MORTGAGE CORPORATION

Applicants

-and-

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, THE ATTORNEY GENERAL OF ONTARIO, ROBERT G. ELGIE, M.D., MINISTER OF CONSUMER AND COMMERCIAL RELATIONS, MURRAY A. THOMPSON, Q.C., REGISTRAR UNDER THE LOAN AND TRUST CORPORATIONS ACT, TOUCHE ROSS & COMPANY, TOUCHE ROSS LIMITED and JAMES A. MORRISON

Respondents

AND BETWEEN:

CROWN TRUST COMPANY, GREYMAC TRUST COMPANY and GREYMAC CREDIT CORPORATION

Applicants

-and-

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, THE ATTORNEY-GENERAL OF ONTARIO, ROBERT G. ELGIE, M.D., MINISTER OF CONSUMER AND COMMERCIAL RELATIONS, MURRAY A. THOMPSON, Q.C., REGISTRAR, LOAN AND TRUST CORPORATIONS ACT, JAMES A. MORRISON, AINSLIE ST. CLAIR SHUVE, J. DAVID TAYLOR, Q.C., WOODS, GORDON, TOUCHE, ROSS LIMITED and CANADA DEPOSIT INSURANCE CORPORATION

Respondents

A.M. Rock and
C.I. Kyer
for applicants, Seaway
Trust Company and
Seaway Mortgage
Corporation

R.E. Carr
for applicants Crown
Trust Company, Greymac
Trust Company and
Greymac Credit
Corporation

T.C. Marshall, Q.C.
for Attorney General
of Ontario, Robert
G. Elgie, M.D.,
Minister of Consumer
and Commercial Relations,
respondents

J.L. McDougall, Q.C. and I.V.B. Nordheimer for James A. Morrison

Heard: February 4, 1983

O'BRIEN J.:

These applications seek an order for prohibition or, in the alternative, an order for directions in which the hearing or special examination into the business of the applicants is to be considered.

FACTS GIVING RISE TO THE APPLICATIONS

The applicant companies are included in those involved in the recent, controversial sale of many apartment buildings in and around Toronto. The Ontario Government took a number of steps as a result of that sale, including the one giving rise to this application, which was the appointment of the respondent James A. Morrison to conduct a special examination, pursuant to section 152 of the Loan and Trust Corporations Act, R.S.O. 1980, c.249. The applicants argue Morrison is conducting that hearing without that degree of fairness he is obliged in law to show.

All applicants concede neither the Statutory Powers Procedure Act nor Part I of the Public Inquiries Act apply to Mr. Morrison's examination.

The relevant section of the <u>Loan and</u>

<u>Trust Corporations Act</u> is section 152(4) which is as follows:

(4) The examiner may summon witnesses and take evidence under oath, and generally, for the purposes of such examination, audit and inquiry, has the powers of a commission under Part II of the <u>Public Inquiries Act</u>, which Part applies to such examination, audit or inquiry as if it were an inquiry under that Act.

Counsel for the applicant companies made the following requests in connection with the conduct of the examination:

- to be informed in advance evidence was
 to be taken under oath and to be given an
 opportunity to be present to hear the
 testimony of all witnesses;
- (ii) to cross-examine witnesses giving evidence adverse to the claimants' position;

(iv)

to be advised of the nature and substance of information other than sworn testimony which the examiner would receive and consider and, in particular, appraisals, accounting and financial reports and professional opinions;

(v)

to receive transcripts of all sworn testimony given before the examiner (although they were prepared to agree to strict terms as to confidentiality);

(vi)

to make submissions to the examiner at the completion of evidence and before his report was completed.

The examiner, on the advice of counsel assisting him at the examination, agreed that directors of the applicant companies could be accompanied by counsel when testifying; that they could be present for the testimony of any witness who did not object to the presence of the applicants' counsel; and that the special examiner would

be pleased to receive submissions from the applicants before completing his report to the Minister.

All other requests were diplomatically rejected.

During the course of argument, counsel for the respondent Morrison conceded the doctrine of fairness did apply to the hearing. Counsel for the applicants modified their position and submitted the following were the minimum requirements to satisfy that doctrine of fairness:

(i)

- (a) advance notice that witnesses would be called and an opportunity to attend such examinations, take notes and take those notes away;
- (b) transcripts of the evidence so given (it being agreed that both "a" and "b" are available on strictest requirements of confidentiality);

(ii)

the substance of reports, appraisals and other information upon which the examiner might reasonably be expected to rely in making his report, including, with regard to appraisals, instructions given appraisers and the methods used in preparation of appraisals;

(iii) the rig

the right for officers of the applicants to appear before the examiner at some subsequent date to give evidence that completes, corrects or contradicts any relevant statements or evidence prejudicial to their interests;

(iv)

the substance of interim reports made by the examiner, including recommendations on how the books of the applicant should be altered;

(v)

the right to lead evidence and to make representations to the examiner before the final report was prepared.

Counsel for the respondents agreed to advise applicants what witnesses would be called the day they were to testify but indicated more advance notice than that could not be provided. The respondents essentially maintained their prior position as to rights which would be given the applicants.

The following events have occured at the examination which is now under way:

(a)	the applicants, in some cases, were
•	unaware that certain evidence was
	to be called;

- (b) in some cases, at the request of the witness testifying, the applicants and their counsel were excluded from the examining room;
- (c) no transcripts of evidence were provided
 to the applicants, although transcripts
 are available;
 - (d) the applicants have been refused documents containing information adverse to them, particularly appraisal reports;
 - (e) the applicants have been refused the right to cross-examine witnesses believed by them to be adverse;
 - (f) the applicants have been refused the opportunity of leading evidence.

As a result, the applicants argue the opportunity to make final submissions to the examiner is of little use to them because they will not know all of the evidence the examiner relies on.

ISSUES

- (1) Does prohibition lie in these circumstances?
- (2) What does the doctrine of fairness require in the conduct of this particular examination which investigates and reports but does not make a decision?

ARGUMENTS

(a) Applicants:

In support of the order for prohibition, counsel for Greymac and Crown Trust argues the examiner is restricted in his function to performing only those duties contained in section 152 of the Loan and Trust Corporations Act. Reliance is placed on section 152(5) which is as follows:

(5) Upon the conclusion of the examination, audit and inquiry, the examiner shall make his report in writing to the Minister. It is argued the examiner is required to make only one final report and is precluded from making any interim report. The argument continues, it is obvious from information appearing in the newspapers, and from statements made in the Legislature, that interim reports have been made by the examiner. Counsel for the applicants was unable to refer me to any authority supporting the proposition that prohibition should lie in such circumstances and had to concede it would follow, from his submission, that if, during the course of the examination, information of great significance was discovered, the examiner would have to withhold forwarding that information to the Minister until he completed his examination, or would have to declare his examination completed in order to make his report to the Minister.

The main portion of the argument advanced was by the applicants Seaway and was the doctrine of fairness required the rights which they claimed, and that prohibition was sought only if those rights were not given. Mr. Rock very capably presented an argument on behalf of those applicants suggesting the distinction between judicial, quasi-judicial and administrative functions and hearings is an artificial one and suggested

the trend in recent cases is to apply the doctrine of fairness to all such hearings. It was argued it is impossible to make any clear distinction between the functions of various boards and tribunals which now function in this Province and, to attempt to distinguish their functions on the basis of whether or not they make decisions or merely investigate and report, becomes difficult if not impossible in many cases.

Given the concession of the respondent that the duty of fairness applies to this particular hearing, it is not necessary for me to deal with those cases which consider whether there is a duty of fairness at all, applying to hearings or tribunals which investigate and report only.

The cases relied upon by the applicants make it clear the standard of fairness to be applied will vary considerably, depending upon a number of factors.

Two significant facts often considered, are the degree of proximity between the report and the decision, and the exposure of the person investigated to harm.

See Re Abel et al and Director,

Penetanguishene Mental Health Centre, 97 D.L.R. (3d) 304

(Ontario Divisional Court) at 320.

Both the applicants and the respondent thoroughly considered and relied upon the decision of the English Court of Appeal in Re Pergamon Press Ltd., [1971]

1 Ch.D 388. In that case, the business affairs of a company were to be investigated by inspectors who were to obtain evidence and information and to report thereon to the Board of Trade.

On behalf of the applicants, it was argued the decision in Pergamon (apparently adverse to their position) must be considered in light of provisions contained in the Companies Act, 1948, and 1967. It is argued those Acts contained a code of consequences providing the Board of Trade, upon receiving the inspector's report, was to advise the Director of Public Prosecutions if the report indicated the likelihood of criminal conduct, or was to commence civil actions for recovery of damages if fraud or other misconduct occurred. The applicants argue the actions to be taken by the Board

of Trade necessarily involved court proceedings, whereas in the situation here under consideration the Minister can (with the assistance of the Lieutenant Governor and the Ontario Legislature) take action which precludes recourse to the courts. It is further argued this has already occurred in December, 1982, when amendments to the Loan and Trust Corporations Act were passed.

Section 158(a) permits the Governor in Council, without holding a hearing, to order the registrar of loan and trust companies to take possession and control of corporate assets. It was also pointed out recent legislation in connection with Crown Trust has resulted in seizure and sale of corporate assets without a hearing.

While this argument is an ingenious one, it ignores the obvious fact that the English Parliament could have enacted similar legislation.

As well, there is nothing in section 152 of the Loan and Trust Corporations Act, 1980, which indicates what use the Minister is to make of the examiner's report.

Against this background, I consider the statement relied upon by the applicants in Re Pergamon, made by Lord Denning, at pages 399 and 400:

... The inspectors can obtain information in any way they think best, but before they condemn or criticize a man, they must give him a fair opportunity for correcting or contradicting what is said against him. They need not quote chapter and verse. An outline of the charge would usually suffice.

That is what the inspectors here propose to do, ...

Lord Denning concluded that, by doing those things, the inspectors had acted fairly in the circumstances of that investigation.

(b) Respondents:

The respondents rely on the decision of the Supreme Court of Canada in Nicholson v. Haldimand-Norfolk Regional Board of Commissioners of Police and Attorney-General for the Province of Ontario (Intervenor) [1979] 1 S.C.R. 311 at 326, where the following statement is made:

... "Parliament is not to be presumed to act unfairly," the courts may be able in suitable cases (perhaps always) to imply an obligation to act with fairness. Fairness, however, does not necessarily require a plurality of hearings or representations and counter-representations. If there were too much elaboration of procedural safeguards, nothing could be done simply and quickly and cheaply. Administrative or executive efficiency and economy should not be too readily sacrificed. ...

The respondents also rely on the statutory scheme contained in the Loan and Trust Corporations Act, 1980, particularly sections 146 to 151 which contain provisions appointing a registrar of loan and trust companies, and which require the registrar to perform various duties, including keeping a loan companies' and trust companies' register, registering corporations, preparing annual reports and statements concerning those corporations for the Minister, seeing only authorized investments are made by those companies, and that real estate owned or mortgaged to them is accurately appraised. In section 151, the registrar is given the right to examine the books of companies registered with him.

It is argued the examination by Mr. Morrison, based on section 152 of the <u>Loan and Trust</u>

<u>Corporations Act</u>, is merely one of a number of sources of information available to the Minister to obtain information regarding the operation

of loan or trust companies.

In considering the <u>Pergamon</u> case, the respondents urge I consider the consequences as set out in the English Companies Act as a "backdrop" against which the decision was made. The use to which the Board of Trade could put the inspector's report in <u>Pergamon</u> included recommending criminal proceedings or initiating civil proceedings against persons named in the report. It is to be noted there are no such provisions in the <u>Loan and Trust Corporations Act</u> and section 152 of that Act is silent as to what use the Minister may make of the examiner's report.

In my view, the statement made by Lord Denning, at pages 399 to 400, to which I have referred, suggesting an outline of the charges against a person must be given to him, were based on the use to which the Board of Trade could put the inspector's report.

It is further pointed out that section 158(a) of the Loan and Trust Corporations Act, amended 1982, permits the seizure of corporate assets without a hearing.

It is argued on behalf of the respondents that, while extraordinary legislative action has been taken in connection with at least one of these applicants (Crown Trust), I should not speculate as to what use the Minister, Cabinet and the Legislature may make of Mr. Morrison's report in this case.

The respondents suggest I carefully consider the importance of expediency and of balancing the interests of the public against the interests of those controlling loan and trust companies. I am urged to consider protection required for those who are dealing with and investing in loan and trust companies as well as the importance of maintaining public confidence in those institutions.

The respondents also suggests that if rights such as those sought by the applicants are granted, it would likely result in applications by other interested parties, perhaps corporate executives or directors, shareholders, creditors, depositers, solicitors and others who have been named in the recent lawsuit commenced in connection with the sale of the apartment

buildings. It is suggested it might be difficult to justify giving rights to the applicants and not those others. I am impressed by that argument and its conclusion that, if the applicants were able to assert the rights originally claimed, or even those now suggested, and if other individuals named, claimed those limited rights, the hearing might be so long delayed the eventual report would be useless when received.

The respondents also raise the point that, while subpoena power is available, the problems in enforcing attendance of witnesses and compelling them to give evidence are significant and would involve argument before the Divisional Court. For this reason, much of the evidence being obtained is given on a voluntary basis without use of the subpoena power.

The respondents also suggest the confidentiality of financial and personal information given by witnesses (now on a voluntary basis) would be significantly reduced if the applicants and their counsel were permitted to hear all the evidence.

Finally, it is submitted that, while

there may be a privilege extending to evidence given by witnesses at the examination, the knowledge which could be obtained by the applicants would be available for use in other proceedings by them. This would also affect and reduce information which might otherwise be obtained from a variety of witnesses.

Bearing in mind this examination is one in the public interest, given the nature of the information sought, and that it <u>is</u> an investigative not a decision-making procedure, I am satisfied the position taken by the examiner satisfies the doctrine of fairness applicable to this case. The application for directions is therefore dismissed.

The application for prohibition is similarly dismissed.

Defendants are entitled to their costs of this application.

OBrian J.

Released February 7, 1983.

*kbh

Decision of Divisional Court released June 22, 1983 re motion to quash Inquiry on ground of bias



IN THE SUPREME COURT OF ONTARIO

(Divisional Court)

Osler, Saunders, Trainor, JJ.

IN THE MATTER OF the Judicial Review Procedure Act, R.S.O. 1980, c.224;

AND IN THE MATTER OF the Constitution Act, 1981 Statutes of Canada;

AND IN THE MATTER OF the appointment of James A. Morrison on the 23rd day of November, 1982 to make special examination and audit of the books, accounts and securities of Greymac Trust Company and to inquire generally into the conduct of its business

BETWEEN:

LEONARD ROSENBERG and GREYMAC TRUST COMPANY

Applicants

- and -

JAMES A. MORRISON, ROBERT G.
ELGIE, M.D., MINISTER OF
CONSUMER AND COMMERCIAL
RELATIONS, and MURRAY A.
THOMPSON, Q.C., REGISTRAR, LOAN
AND TRUST CORPORATIONS ACT

Respondents

AND IN THE MATTER OF the Loan and Trust Corporations Act, R.S.O. 1980, c.249;

AND IN THE MATTER OF the Judicial Review Procedure Act, R.S.O. 1980, c.224;

AND IN THE MATTER OF a report on)
the affairs of Greymac Trust)
Company dated February 23, 1983,)
prepared by Touche Ross Limited)
("Touche Ross Report") as agents)
for the Registrar under the Loan)
and Trust Corporations Act

H.D. Pitch for the applicants

J.L. McDougall, Q.C. and I.V.B. Nordheimer for the respondent James A. Morrison

Ms. L.E. Weinrib and P.M. Jacobsen for the respondents, Robert G. Elgie, M.D., Minister of Consumer and Commercial Relations and Murray A. Thompson, Q.C., Registrar, Loan and Trust Corporations Act

L. Taman for the respondent, Touche Ross Limited B E T W E E N :
)

LEONARD ROSENBERG and
)

GREYMAC TRUST COMPANY
)

Applicants
)

- and
MURRAY A. THOMPSON, Q.C., THE
)

REGISTRAR UNDER THE LOAN AND
)

REGISTRAR UNDER THE LOAN AND TRUST CORPORATIONS ACT, and TOUCHE ROSS LIMITED

Respondents

Heard: May 30 and 31, 1983

SAUNDERS, J. (Orally):-

These are two applications for judicial review which arise out of the following circumstances:-

- (1) The applicant Greymac Trust Company ("Greymac") is a trust corporation incorporated under the Loan and Trust Corporations Act, R.S.O. 1980 c.249 (the "Act"). Prior to January 7, 1983, the affairs of Greymac were controlled by the applicant, Leonard Rosenberg ("Rosenberg").
- (2) On November 23, 1982, James A. Morrison

 ("Morrison") was appointed by The Honourable Robert G. Elgie,

 Minister of Consumer and Commercial Relations (the "Minister"),

 to make a special examination and audit of the books of

 account and securities of Greymac and to inquire generally

 into the conduct of its business. For convenience I shall

 refer to his function in the way it was labelled during the

 argument as the "Morrison Inquiry".

- (3) On the same day, that is November 23, 1982, Murray A. Thompson, the Registrar under the Act (the "Registrar"), pursuant to section 151, authorized in writing nine named persons, including Morrison, each of whom was a partner or employee of the firm Touche Ross & Co., at any time during business hours to examine the books, vouchers, securities and documents of Greymac. As required by section 151, the authorization was approved by the Minister. The purpose of the authorization was stated therein to be to assist Morrison in his examination.
- (4) On December 21, 1982, the Act was amended. The amendments included the addition of section 158a which, in general terms, empowered the Lieutenant Governor in Council, among other things, to take possession and control of the assets of a corporation that was subject to the Act.
- (5) Almost immediately after his appointment,
 Morrison embarked on his examination. He wrote three
 lengthy letters to the Minister which were dated December 23,
 1982, December 31, 1982 and January 5, 1983, and which are
 referred to hereafter as the "interim reports".
- (6) On January 7, 1983, the Lieutenant Governor in Council ordered the Registrar to take possession of Greymac and two other trust companies pursuant to section 158a. The

powers of the Registrar under that section comprise all the powers of a board of directors of the corporation and include specifically the carrying on, managing and conducting of the operations of the business of such corporation.

Section 159(3) of the Act empowers the Registrar, when he is in possession and control and is conducting the business of a corporation, to appoint one or more persons to manage and operate the business. Each person so appointed is a representative of the Registrar. On January 7, 1983, the day that he acquired possession and control, the Registrar appointed J. David Taylor, Q.C. as chief executive officer of Greymac and appointed Touche Ross Limited to manage and operate its business.

of Touche Ross & Co., which is a well-known firm of chartered accountants. All the persons appointed to assist him in his inquiry were either employees or partners of that firm. Touche Ross Limited is an incorporated company which it is said on occasion acts as a receiver. It is not disputed that the accounting firm and the limited company are closely associated and that they have common employees and officers or partners. It is the close association amongst Morrison, his authorized assistants and Touche Ross Limited that is considered by the applicants to be particularly significant in these applications.

- (8) Touche Ross Limited prepared a lengthy report on the affairs of Greymac dated February 23, 1983. One of the stated purposes of the report was to update the Registrar, the Minister and his advisors concerning the findings "re Greymac Trust".
- (9) On April 19 1983 the Minister made a statement in the Legislature and tabled the three interim reports of Morrison and the Touche Ross Limited report. Prior to that time the applicants had no knowledge of their contents.

While the motions before us are expressed in broader terms, I think it is fair to say that the applicants are asking this court to do two things. First, we are asked to prohibit Morrison from producing further reports and to quash the Morrison Inquiry on the ground of reasonable apprehension of bias, or in the alternative, to prohibit Morrison from using any documents received from Touche Ross Limited or Greymac after January 7, 1983 on the grounds that such documents had been seized in violation of the rights of the applicants under section 8 of the Charter of Rights and Freedoms. Secondly, we are asked to declare that the Touche Ross Limited report was prepared, submitted and used unfairly and that the rights of the applicants under section 7 of the Charter have thereby been violated.

Dealing first with the Morrison Inquiry. The principal attack against Morrison relates to bias. It is submitted that he is under a duty to act fairly and if his participation in the Inquiry gives rise to a reasonable apprehension of bias, he should not continue to act. In the statement filed on his behalf there is set out what is said to be the accepted test for whether a reasonable apprehension of bias exists, and that test is not disputed. It is stated that the apprehension of bias must be a reasonable one held by reasonable and right-minded persons, applying themselves to the question and obtaining thereon the required information.

The evidence to which we were referred which would form the basis of such an apprehension was said to be the combination of two factors. First, the unfavourable remarks made by Morrison in the interim reports which were made before possession and control was taken by the Registrar; and second, the close association of the personnel of Touche Ross Limited with Morrison. It was submitted that the combination of the two circumstances would cause a reasonable man to apprehend bias.

Morrison was appointed to examine the books, accounts and securities of Greymac and four other corporations on November 23, 1982. He could not be expected to do it alone. It is not unreasonable for the Registrar to appoint his professional colleagues to assist him. All the interim

reports were addressed to the Minister and in the third report, the alleged unfavourable comments were stated to be in response to a specific question that had been asked by the Minister.

After reading the reports in their entirety, I am unable to find anything that in my opinion would give rise to an apprehension of bias in a reasonable man. Looking both at the reports as a whole and at the passages to which we were referred in isolation, I do not consider they justify such an apprehension. It is true that there are unfavourable comments about the applicants but in my view there is a foundation for all of them expressed in the reports. Morrison was engaged in an urgent examination in the public interest and was under a duty to inform the Minister. In such circumstances the fact that some of the comments may have been unfavourable to the applicants cannot alone amount to a reasonable apprehension of bias.

We were referred to no other evidence after

January 7 that would give rise to a reasonable ap rehension

of bias other than the presence of Touche Ross Lin ted who

as managers of the business of Greymac, were carrying out

an investigative function on the Greymac premises and,

presumably, elsewhere.

It was conceded by the respondents and it seems to make some sense that some of the Touche Ross personnel were performing two functions. They were assisting Morrison in the course of his inquiry and they were also managing and operating the business as employees of Touche Ross Limited. I have some difficulty in ascertaining how that circumstance could give rise to any apprehension of bias. Looking at the situation as a whole, a reasonable man, in my opinion, would expect Morrison, in carrying out his responsibilities, to have assistants and to discuss problems relating to his inquiry with them as he has done with many others both inside and outside his organization, including the applicants. It is not reasonable, in my view, for bias to be apprehended because an individual seeks advice from persons in whom he has confidence. No doubt Morrison has done this. In fact, it would be surprising if he had not.

While he may have consulted with his colleagues, when all is said and done, the responsibility to the Minister is that of Morrison alone and I am not persuaded that his participation in the inquiry would give any reasonable man an apprehension of bias.

I should perhaps mention that the material discloses certain unfavourable remarks about the applicants that were made by personnel of Touche Ross Limited. In general, the making of those remarks are denied and the applicant

did not press us to consider them as part of his submission on bias. I would observe that there is no evidence that such remarks were made in the presence of or were heard by Morrison or that they were ever brought to his attention.

It was strongly argued before us that since Morrison's duty was at the administrative end of the spectrum between judicial or quasi judicial functions and administrative functions, actual bias and not merely a reasonable apprehension of bias had to be shown. In my view the evidence falls short of even a reasonable apprehension of bias and therefore it is not necessary to consider this issue.

The second aspect of the application relating to the Morrison Inquiry is the allegation that there has been a violation of section 8 of the Charter, which provides that:

"Everyone has the right to be secure against unreasonable search or seizure."

No complaint of a Charter violation is made prior to the taking of possession and control by the Registrar on January 7, 1983. The alleged violation is based on the relationship between Touche Ross Limited as managers and Morrison and his inquiry. For example, the Touche Ross Limited report is signed by Frank R. Brown, vice president,

who presumably is the same Frank R. Brown who was authorized to assist Morrison on November 23. It is said that if the managers had been independent of Morrison there would be no basis for saying that the Charter had been violated.

We all have some difficulty understanding this submission. The delivery of documents by Greymac and their examination by Morrison and his assistants prior to January 7 is not questioned, but the introduction of Touche Ross Limited as managers and as a representative of the Registrar it is said creates a different situation. The ability of Greymac to voluntarily deliver or withhold documents has been removed and this it is said constitutes in some way a seizure. There is no evidence that Touche Ross Limited has ever made any documents available to Morrison or his assistants but while it is likely that they have done so, it is a difficult fact in the circumstances for the applicants to prove. The applicants asked that if there has been such a delivery, that Morrison be restrained from using the documents.

Under s.152(4) of the Act Morrison generally has the powers of a commission under Part II of the <u>Public</u>

<u>Inquiries Act.</u> He has extensive power to have documents produced. He can either obtain them voluntarily or he can compel their production. There is no evidence that any document has been obtained involuntarily and no suggestion

that there are any documents that could be denied to him or their production resisted no matter who had control of them. There is nothing in the material that could by any stretch of the imagination form the basis for finding a seizure. Even if the interrelationship and interaction of Morrison and his assistants and Touche Ross Limited could in a notional sense be described as a seizure, such a seizure could not on the evidence in all the circumstances be regarded as unreasonable. There is therefore in our view on the material before us no basis for intervention against Morrison or his inquiry.

Turning now to the Touche Ross Limited report.

As previously stated, that company was appointed under section 159(3) of the Act as the representative of the Registrar to manage and operate the business of Greymac.

The report dated February 23, 1983, is addressed to the Registrar. It is marked confidential. It is accompanied by a balance sheet which "reflects the results of verifications and refinements which we have been able to make from our continuing investigation of the affairs of Greymac Trust since January 15". The report discusses, among other things, the mortgage lending and investment practices of Greymac and the state of its books and records. It reaches some conclusions and has some unfavourable things to say about the applicants. It expresses some recommendations,

the authors of the report are not purporting to decide anything. The report is not unlike many reports made by managers to those who have the ultimate responsibility for the operation of the enterprise.

The application is brought under the Judicial Review Procedure Act. It was strongly argued before us that there was no jurisdiction under that statute to review the production and submission of the Touche Ross report. decision is embodied in it. At best it contains some conclusions and recommendations which may or may not be acted upon. Nothing may ever come of it. The applicants seek a declaration that the report was improperly and unfairly prepared and submitted. In order for the court to entertain such an application, the declaration must be in relation to the exercise, refusal to exercise or proposed or purported exercise of a statutory power. A statutory power is defined in section 1(q) of the Judicial Review Procedure Act and includes a power or right conferred by or under a statute to do any act or thing that would, but for such power or right, be a breach of the legal right of any person or party.

Touche Ross Limited in the course of performing its management function investigated the affairs of Greymac and prepared a report. It is at least arguable that they had no right to do this without the authorization from the

Registrar pursuant to section 159 of the Act, and that if they had done it without authorization they might have breached the legal rights of Greymac. It may be that the report was prepared and submitted in relation to the exercise of a statutory power. I propose to proceed on the basis that there is jurisdiction in this court to consider the application with respect to the Touche Ross report.

There are three grounds for attack on the report; first, that the report was unfairly prepared and submitted to the Minister and to the Morrison Inquiry in that the applicants were not told that it was being prepared and were not given an opportunity prior to its submission to comment on the unfavourable conclusions and remarks that were made in it; second, that the investigation leading to the preparation of the report and the report itself exceeded the powers conferred by the Registrar on Touche Ross Limited as managers; and third, that section 7 of the Charter of Rights was violated. I would propose to deal with these grounds in the reverse order that I have stated them. They involve of necessity a certain amount of repetition because some of the circumstances are relevant to more than one issue.

Section 7 of the Charter provides that everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice. The report is said to contain some statements that are damaging to the reputation of the applicants. It is submitted that the right to liberty in section 7 extends to reputation. There are not surprisingly no Canadian authorities on this point, but there are some authorities under a somewhat similar but different provision in the Fourteenth Amendment to the United States Constitution and the issue has been considered by the Supreme Court of that country.

It would appear to be far from conclusive even in the United States that the right to liberty and property extends to reputation but it is not necessary to decide that issue. Even if liberty within the meaning of the Charter includes reputation, there has been no deprivation of it which could be said to be not in accordance with the principle of fundamental justice. It was not argued and there appears to be no evidence that either of the applicants has ever been denied an opportunity at any time to set forth their position with respect to the affairs of Greymac. The report was made public by tabling it in the Legislature. Its production had been previously requested by Rosenberg in an application to the Ontario Supreme Court. No action has been taken to date with respect to the report and there is no evidence or

suggestion that either applicant has in any way been hindered or prevented from commenting on the report either publicly or privately to the persons involved. I am unable to say that merely because they were not given the right prior to its submission to comment on the report, that they have been deprived to the right to liberty under the Charter.

The second ground of attack is that Touche Ross Limited as managers have no authority to embark on an investigation but were confined to the role of manager and operator set out in section 159(3) of the Act. The Registrar is in possession and control of the assets of Greymac and is conducting its business. Touche Ross Limited is its appointed representative to manage and operate that business. They are, as one counsel put it, the eyes and ears of the Registrar. It seems perfectly proper for those who are delegated to manage and operate a corporation that they investigate and report on its affairs to the person who has the ultimate responsibility for the conduct of that operation. The preparation and submission of the report was well within the ambit of the responsibilities that Touche Ross Limited assumed as managers and operators of the business. Indeed, they might have been remiss in their duties if they had failed to provide a detailed report on the corporation that they were managing, regardless of whether it was favourable or unfavourable to the persons concerned. The fact that the Morrison Inquiry was going on at the same time makes no difference to this conclusion.

This brings me to the third point, in which the applicants submit that once Touche Ross Limited assumed the role of investigator, they owed a duty of fairness to the applicants. Such a bald statement has little meaning. The standard of fairness varies across the spectrum from judicial and quasi-judicial proceedings at one end to purely administrative actions at the other. Here we have a manager reporting on a confidential basis to the person responsible for the conduct of the business. At first blush, one would consider that such an act should not be subject to review of any kind by a court. No decision or action has been taken by either the Registrar or the Minister with respect to the report and it is still open for the applicants to make whatever comments and submissions they wish to make with respect to it. The act by Touche Ross Limited is purely administrative, and yet, one cannot avoid considering both the unusual circumstances under which the manager acquired its position, and the serious consequences that the unfavourable comments might have on the applicants. duty of fairness by a public investigative body has been considered in two English cases which were referred to in argument. They are in Re Pergaman Press Ltd. [1971] Chancery 388 and Maxwell vs. the Department of Trade and Industry [1974] 1 Queen's Bench 523. Reference should also be made to consideration of a similar issue by the Ontario Court of Appeal in Re Abel and Advisory Review Board [1980] 31 O.R. (2d) 520.

The standard of fairness that emerges as applied to this case is that the applicants should have an opportunity to answer any substantial condemnation or criticism that is proposed to be made against them. The duty in this case can be no higher and may not be that high. Nothing need be done in a formal way and, as pointed out by Lord Denning in Maxwell formal action might lead to further proceedings thus causing delay in a matter which all parties concede is urgent. It would seem to me that what is required is that the managers act in a spirit of fairness. Touche Ross Limited have been engaged in a difficult and important task since January 7. At the risk of repetition, there is no suggestion that they have not been willing to discuss with the applicants at any time the matters which are giving them concern relating to the affairs of Greymac and no suggestion that the applicants have been refused an opportunity to say what they wish to the managers. There is no suggestion that either Greymac or Rosenberg is unaware of the nature of the problems that are concerning Touche Ross Limited. As of this moment no action has been taken following the tabling of the report in the legislature, and there is no suggestion that the opportunity to respond to it is not still open. In my view, therefore, there was no breach of the duty of fairness to the applicants by failing to inform them that the report was in the course of preparation and failing to discuss with them the specific contents of that report.

It follows then that both applications must be dismissed.

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Released: June 22, 1983

Statement of Rosenberg in December 1982



---STATEMENT OF LECHARD ROSENBERG

RE: CADILLAC FAIRVIEW TRANSACTIONS

In 1976, Leonard Rosenberg hereinafter "Rosenberg" acquired a Federally incorporated loan company called Greymac Mortgage Corporation, hereinafter called "Mortgage" from a number of independent parties who are in no way connected to any of the parties involved in the subject transactions. Until 1982, this corporation was owned by Greymac Credit Corporation (hereinafter "Credit").

The shares of Credit are owned 51% beneficially by Rosenberg and 49% beneficially by Branco Weiss, a resident of Zurich, Switzerland.

In 1981, Credit acquired 100% of the Provincially incorporated Loan and Trust Corporation, MacDonald Cartier Trust Company the name of which was changed to Greymac Trust Company (hereinafter "Trust").

In 1982, through a series of transactions Credit acquired 99.5% of the common stock of Crown Trust Company, also an Ontario Loan and Trust Corporation (hereinafter "Crown").

-William Player has been known to Rosenberg for some years as a successful and active party in the acquisition and sale of multiple unit residential properties. Both "Trust" and "Mortgage" have through the years provided financing to Player in the acquisition and sale of some of these units. These transactions were in the most part through short term mortgage loans.

Kilderkin Investments (hereinafter Kilderkin) is a property management company.

Neither Rosenberg, Credit, Trust or Crown have any beneficial interest in Kilderkin, except as hereinafter set forth.

-Seawar Trust Company, (hereinafter-Seaway) is a Provincially incorporated trust company. Neither Rosenberg, Credit, Trust or Crown have any beneficial interest in Seaway.

In 1981, at the time of the acquisition of "Trust" by "Credit", a property management division of "Trust" was sold to Kilderkin and part of the consideration in that transaction was the taking back by "Trust" of \$192,000.00 of preference shares in Kilderkin. These shares continue to be held by Trust.

Neither Player, Kilderkin or Seaway have any beneficial interest in or exercise any influence or control over Credit, Trust, or Crown. Neither Credit, Trust or Crown have any outstanding debt obligations to Player, Kilderkin or Seaway.

Turning to the Cadillac Fairview transaction, in July, 1982 Rosenberg became aware that Cadillac Fairview was attempting to sell in a single block its Toronto area residential holdings. During the month of July, Rosenberg gave consideration to a purchase of these buildings with a view to reselling them collectively or individually as soon as could be done so at a profit.

By late July, Rosenberg had concluded that a purchase of these properties would be advantageous if the same could be completed at a reasonable price. Negotiations were entered into with Edwin Cogan and Rudy Braun, agents involved in the transaction.

By July 29, 1982, Rosenberg had determined that Cadillac Fairview would accept a price of \$270,000,000.00 for the properties which would include the assumption of first mortgages totalling approximately \$110,000,000.00 and the takeback of second mortgages totalling approximately \$120,000,000.00. The remaining \$40,000,000.00 would have to be paid in cash. Cadillac Fairview in the opinion of Rosenberg undervalued the properties by offering the same for sale at a price of \$270,000,000.00.

The Greymac companies by themselves were incapable of paying a total of \$40,000,000.00 on closing unless a resale of the properties was arranged to close simultaneously with the purchase or some assets were liquidated prior to

closing or some alternate arrangements were made to finance—the purchase. Accordingly, Rosenberg sought and obtained a commitment from his Swiss partner, Branco Weiss to guarantee the payment of the monies required to complete the transaction.

Mr. Weiss is a person with the financial capacity to provide such guarantee and having arranged the same Rosenberg proceeded to complete negotiations with Cogan and Braun. On July 30, 1982 Rosenberg met with Edwin Cogan and H. Hecker of Laventhol and Horwath who had been retained by Cadillac Fairview to advise it on the disposition of the properties. The substantive terms and conditions of the offer were discussed to the point Mr. Hecker indicated he would recommend the offer to Cadillac Fairview. In the first week of August, 1982, Rosenberg met with Gerry Sheff, President of Cadillac Fairview, Residential Division, Edwin Cogan and H. Hecker to discuss the transaction. At the end of the meeting with Mr. Sheff, an agreement was reached and all that remained was for the appropriate documentation to be prepared. Prior to that meeting, Rosenberg had no direct contact of any kind with any one directly employed by Cadillac Fairview.

The agreement of purchase and sale with Cadillac was executed August 24, 1982. Some few days later, Player called to discuss the reports he had been reading in the newspapers about the Cadillac Fairview transaction and at that point, Rosenberg and Player began to discuss his potential involvement in the transaction. It was always the intent of Rosenberg to resell the Cadillac Fairview properties if his profit objective could be obtained. However, having arranged a guarantee of payment from Weiss, there was no compulsion to resell unless Rosenberg achieved the profit he required on the transaction. Player was but one of several potential buyers of the properties on a resale. Indeed, as interest rates began to decline, the price to be paid for the properties, \$270,000,000.000 became more attractive and it became feasible at a very early date to achieve a substantial profit on a resale. Nonetheless, Rosenberg had no intention to resell immediately unless his profit objective of \$40,000,000.00 was obtained.

Once it became widely known that Credit had entered into ... agreement-of-purchase and sale with Cadillac Fairview, a number of agents and other parties expressed an interest in finding purchasers for some or all of the properties. It was made clear to all such agents and prospective purchasers that Credit was prepared to resell its rights of purchase on closing but would not do so for a price less than \$310,000,000.00. The profit objective sought being the said \$40,000,000.00. If the same could be achieved prior to closing the Properties would be resold. If not, Credit was prepared to close and hold the properties with an orderly liquidation of the buildings to be conducted over a time at a much greater price than \$310,000,000.00. If Credit conducted a liquidation of the buildings on an individual basis, it projected a realization of \$450,000,000 to \$550,000,000 as total consideration depending on fluctuation in interest rates.

Rosenberg did not enter into serious discussions with William Player respecting the sale of the properties until September 24, 1982. On that date, Rosenberg advised Player that Greymac was prepared to sell the Cadillac Fairview properties to him together with Greymac Mortgage Corporation for a total consideration of \$350,000,000.00, being price to Cadillac plus a \$42,500,000.00 profit and \$37,500,000.00 as the sale price for Greymac Mortgage Corporation.

Rosenberg indicated to Player that Rosenberg was not prepared to sell the Cadillac Fairview properties unless Player purchased mortgage. Rosenberg had resolved to devote his energies to the Trust Company's business.

On September 26, 1982, Player and Rosenberg spoke again and Player advised he had a number of details to work out but was of the opinion the transaction could be concluded. It was anticipated that Player would repackage the properties, arrange appropriate financing and resell. Player had resold properties and multiple unit residential building to offshore investors in the past and Rosenberg believed Player had the capacity and contacts to effect such a resale within a very short period of time.

By this point in time, Credit became involved in the acquisition of Crown Trust.

Joseph Burnett, a person Rosemberg has known for many years had been active in attempting to acquire Crown on behalf of BNA Realty Inc. Burnett became involved in a hearing before the Ontario Securities Commission and was experiencing difficulty in his attempts to obtain control of Crown.

Rosenberg saw the opportunity for Credit to acquire control of Crown. Since the Cadillac Fairview properties would be an eligible investment for Crown it made good business sense to purchase the buildings in Crown. If Credit could obtain control of Crown there would be no pressure on Credit to resell the Cadillac Fairview properties to Player or any other person since Crown had the necessary funds to complete the purchase through its normal operations.

Accordingly, on September 30, 1982, negotiations were entered into with CanWest Capital Corporation the owner of the majority interest in Crown to determine if it was prepared to sell its shareholdings in Crown to Credit.

Rosenberg met with Gerald Schwartz, an Officer of CanWest on September 30, 1982. During the course of that meeting a price of \$62.00 per share was agreed upon and over the course of the following weekend the necessary paperwork was prepared to conclude the transaction. Rosenberg further conducted negotiations with Joseph Burnett and offered to purchase whatever shareholdings had been acquired on behalf of BNA Realty Inc. at the same price as Credit would pay CanWest.

BNA Realty Inc. agreed to this proposal and on October 7, 1982, the various share purchases were completed giving Greymac Credit Corporation, majority ownership of Crown Trust.

Once Rosenberg was aware that control of Crown could be acquired, Rosenberg advised Player that Crown could purchase the Cadillac Fairview properties and an offer from Player was not required. This conversation took place during the first week of October, 1982.

Nevertheless, Player reiterated his interest in the transaction and indicated he was endeavouring to arrange purchasers of the property before he could finally commit to buying the buildings from Credit.

Throughout the month of October, there were a number of discussions with Player during the course of which he indicated it was his intent to sell the properties for a price of \$500,000,000.000. He did not identify the prospective purchasers but informed Rosenberg that he was working with A. J. Reynolds Mastin who Rosenberg knew to represent significant offshore investors.

During the course of these discussions, Player indicated he would require 75% financing, and accordingly, third mortgages totalling \$152,000,000.00 would have to be provided. Player requested that Crown Trust and Greymac Trust provide this financing but these companies were not prepared to take up more than one half of these mortgages pursuant to their own lending guidelines. Accordingly, Player indicated he would seek the balance of financing from Seaway Trust.

By late October, there was considerable publicity and political pressure concerning these transactions. It was mutually agreed between Cadillac and Credit to advance the closing date to avoid the possibility of an injunctive proceeding being brought to prohibit the closing.

Rosenberg advised Player of this in late October and told him if he wished to have these properties he must be prepared to close on the same date as the purchase from Cadillac Fairview. It must be emphasized at this point a firm agreement of purchase and sale had not been concluded with Player and Credit was fully capable of completing the transaction through the resources of Crown Trust or with the guarantee of monies from Weiss.

It was not until November 2, 1982 that Player was able to confirm all terms and conditions of his purchase of the properties from Credit and on November 4, 1982 an agreement was entered into with Kilderkin Investments Limited, in trust, for the purchase of the buildings. Rosenberg was aware on that date that Player had arranged a resale of the properties to a number of different purchasers for a total of \$500,000,000.000.00.

During the month of October, Credit—had to plan for the contingency that the properties would be purchased by Crown Trust or Credit and not resold to Kilderkin. In such event, it was important to ensure that the properties were well maintained and well managed.

In mid-October, Rosenberg negotiated an agreement with G. Sheff and Charles Kirk of Cadillac Fairview to acquire the Cadillac Fairview Management Division which had been charged with responsibility of maintaining the subject properties. This Division was ultimately transferred to Kilderkin as part of its purchase of the properties from Credit.

During the month of October, independent appraisals of all of the buildings were commissioned by Greymac Trust, Crown Trust and Seaway Trust. Rosenberg had no discussions with the appraisers nor did he attempt to influence the value arrived at with respect to the buildings. Rosenberg requested that appraisals be obtained to satisfy prudent lending guidelines and the various statutory and regulatory requirements applicable to Greymac Trust and Crown Trust should they finance the third mortgages on the transaction or should Crown Trust act as purchaser of the properties.

The sale of the properties was completed November 5th and 8th, 1982 with Cadillac Fairview conveying title to the various numbered companies pursuant to directions from Greymac Credit Corporation and Kilderkin. As a result of these transactions, Greymac Credit Corporation earned a profit of \$42,500,000.00. Approximately \$152,000,000.00 in third mortgages were registered on title with Seaway Trust taking some \$76,000,000.00 in mortgages, Greymac Trust taking approximately \$20,000,000.00 in mortgages and Crown Trust taking approximately \$56,000,000.00 in mortgages. The mortgages taken by Crown and Trust were evaluated by their lending committees. The appraisals obtained in every case supported the value and loan approval of the lending committee applying their regular lending criteria. Rosenberg did not participate in the process of approval or attempt to influence the same.

In respect of the value of the subject properties, regard was also had to the affidavits of Land Transfer Tax sworn by the solicitors for the numbered companies. These affidavits indicate that \$125,000,000.00 in excess of the

mortgage funds were-paid on closing. These documents belie the allegations that have been made in the press that the actual purchase price was something less than \$500,000,000.000.

It should be noted that Toronto is a very stable real estate market and highly attractive to foreign investors who are primarily interested in appreciation in value of land rather than cash return on investment. Indeed, investment criteria applied by foreign investors are substantially different from those criteria applied by local purchasers or developers. Accordingly, so long as such investors are satisfied the properties will appreciate in value at an amount in excess of inflation and there is little likelihood of political instability, cash return on the investment is not crucial.

Turning to the statements in the press that Rosenberg misled the Minister of Consumer and Commercial Relations, Robert G. Elgie during their meeting on November 1, 1982. At that meeting, as Dr. Elgie admits, Rosenberg indicated that it was his intention to resell the properties if his stipulated profit objective could be met. Rosenberg told Elgie he was negotiating with purchasers however, that a resale had not been made firm and if a resale could not be put in place, Credit would complete the purchase. The units would be maintained in a similar manner as when they were owned by Cadillac Fairview because he had purchased as part of the deal the Cadillac Property Management Division.

It is important to note, that the Kilderkin agreement was not signed until November 4, 1982. As of November 1, 1982, Credit contemplated closing in its own name and was ready and able to complete the purchase. Rosenberg did not mislead the Minister, nor could his comments be so construed.

On November 5, 1982 when the transaction was substantially completed Rosenberg wished to notify Dr. Elgie because he had agreed with the Minister to keep him advised. Arrangements were made for Dr. Elgie to be notified and provided with a full detailed explanation of events. Through a misunderstanding it would appear that these arrangements were not followed through. When this became apparent to Rosenberg he personally took immediate steps to see that the Minister was fully informed. It is regretable that the Minister was embarassed and Mr. Rosenberg was personally embarassed that this misunderstanding occurred.

Crown Trust Company and Greymac Trust Company are stable, profitable and competently managed. None of the transactions described herein pose any danger to depositors, investors or the public. The profit realized by Credit from the sale to Player of the Cadillac Fairview properties and Mortgage were used by Credit to discharge its borrowings required for the acquisition of Crown.

Rosenberg has no knowledge who are behind the numbered companies other than having been told by Player that they are Saudi Arabians. Neither Rosenberg, Crown Trust or Credit or any company associated with them have any ownership interest with the numbered companies either direct or indirect.

Rosenberg and all the Companies are endeavouring to cooperate with the Minister and his Commissioner in their enquiries and the investigations under way. Unfortunately the position of Rosenberg and the Companies has been largely misrepresented and their reputations unfairly impugned.

Greymac Credit Corporation, Crown Trust Company and Greymac Trust Company would welcome a full public inquiry in respect of the matters contained herein in order that the appropriate regulatory authorities be satisfied as to regularity of the Cadillac transactions and these companies be allowed to return to their normal business activities.



Statement of Rosenberg dated April 8, 1983



STATEMENT OF LEONARD ROSENBERG RE: CADILLAC FAIRVIEW TRANSACTIONS

Further to my statement delivered to you on the 24th of December, 1982, I have in the interval over Passover and Easter had an opportunity to review with my solicitors their notes pertaining to the testimony given by various witnesses before the Morrison Inquiry. I believe it imperative that I bring to your attention as Commissioner the fact that in my statement, at the bottom of page 7, I made reference to the Land Transfer Tax affidavits.

This was and is my belief and the statements apparently made to Mr. Morrison that the actual cash transfer was one hundred and nine million dollars are a surprise to me. Nor was I aware of the sixteen million dollars retained equity interest given or taken by Mr. Markle and Seaway Trust and while I can understand the transaction and its effect on the asset base of Seaway Trust, it is not something that I knew about nor was it something I would have countenanced if I had known about it.

My instructions to Mr. Traub, acting on behalf of Greymac Credit Corporation, and to Mr. Prousky who was also representing Greymac Credit, and who assisted Mr. Traub in doing the searches on the properties, was to the effect that they were to be prepared to close with Cadillac Fairview in the name of Greymac Credit Corporation in the event that Player and Kilderkin were unable to close. My instructions to them were that they were to provide me with the usual legal opinion that the closing was in accordance with the terms of the contract negotiated with Player. There was nothing unusual or complex about their instructions other than the size of the transaction.

If I had been informed of the foregoing deficiencies I would not have permitted the closing to take place and would have instructed the transaction to be closed in the name of Greymac Credit Corporation.

Messrs. Broadhurst and Ball, represented the trust companies who were lending the money and this included Greymac Trust and Crown Trust. My understanding of their instructions were that they were not to advance unless and until all the terms of the contract of purchase and sale had been complied with. Not only was one of the terms that there be a one hundred and twenty-five million dollar cash payment but there was in addition a term negotiated with player that there would be a deposit of fifteen million dollars by the purchasers with Crown Trust and an identical deposit of fifteen million dollars by the purchasers with Seaway Trust.

These two separate fifteen million dollar deposits (in aggregate thirty million dollars) were to stand as separate security against any income shortfall with respect to the servicing of the wraparound third mortgages held by Seaway and Greymac and Crown Trust respectively.

Until my solicitors informed me that there was some confusion about this and until I satisfied myself from their notes, I was unclear as to the facts of this arrangement and that they had not complied with this term either and that there was in fact no fifteen million dollar deposit with Seaway although there had been a fifteen million dollar deposit with Crown Trust. Upon this first being intimated to me, I had called William Player on the telephone and received an equivocal response to my questions which neither really confirmed nor denied these events. I can only state that there was supposed to be such a deposit. Why it was not made or the fact it was not made was not reported to me. If it had been reported, I would not have permitted the transaction to close on behalf of Greymac Trust or Crown Trust but would have instructed title to be taken in the name of Greymac Credit.

Seaway financial statement -December 3I, 1981 - Consolidated



SEAWAY TRUST COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981



Internationally: Spicer and Oppenheim

John A. Lopinski, C.A. Marvin D. Aulthouse, B. Comm. C.A.

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AUDITORS' REPORT

To The Shareholders of Seaway Trust Company

We have examined the consolidated balance sheet of Seaway Trust Company as at December 31, 1981 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Port Colborne, Ontario

February 26, 1982

MacGillinay & Co.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1981

ASSETS

	1981	1980
Loans Mortgages Loans on securities Consumer	\$ 92,756,413 158,416 744,219	\$ 16,743,452 758,110 176,395
Cash and term deposits Deposit outstanding from shareholder Securities Joint venture Real estate investment properties Premises and equipment Goodwill and organization expenses Other	93,659,048 3,390,867 3,000,000 3,318,374 166,666 31,066,057 493,603 34,467 1,612,076	17,677,957 1,602,072 - 74,877 - - 447,068 51,711 118,161
LIABILITIES	\$136,741,158	\$ 19,971,846
Guaranteed Deposits Deposits Guaranteed investment certificates	\$ 1,321,342 94,040,582	\$ 924,309 16,291,690
Accounts payable and accrued expenses Income taxes payable Mortgages payable Deferred income Deferred income taxes	95,361,924 5,043,375 33,072 25,519,672 193,876 1,176,508	17,215,999 480,167 39,989 396,122 130,978 81,222
SHAREHOLDERS' EQUITY	127,328,427	18,344,477
·	7,988,691	1,506,350
CAPITAL STOCK AND CONTRIBUTED SURPLUS INVESTMENT RESERVE	240,500	18,000
RETAINED EARNINGS	1,183,540	103,019
ADMINES DIAMENOS	9,412,731	1,627,369
	\$136,741,158	\$ 19,971,846
APPROVED BY THE BOAT Director	1 Asul	Director

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	1981	1980
BALANCE AT BEGINNING OF YEAR	\$ 103,019	(\$ 20,261)
Net income	1,370,434	141,280
	1,473,453	121,019
Dividends	67,413	_
Transfer to investment reserve	222,500	18,000
	289,913	18,000
BALANCE AT END OF YEAR	\$ 1,183,540	\$ 103,019

CONSOLIDATED STATEMENT OF INCOME

	1981	1980
REVENUE Mortgage interest Loan interest Investment income Fees and commissions Real estate investment properties Real estate commissions Other	\$ 6,811,845 128,351 929,914 1,273,409 7,950,000 152,195 220,930 17,466,644	\$ 916,988 32,196 163,801 317,043 - 136,733 23,844 1,590,605
EXPENSES Interest on deposits and borrowings Real estate investment properties Salaries and staff benefits Premises Administrative Real estate sales commissions	7,151,897 6,811,976 360,972 155,769 483,241 97,264	854,093
GAIN ON SALE OF INVESTMENTS	15,061,119 2,405,525 83,347	1,324,040 266,565 3,126
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	2,488,872	269,691
INCOME TAXES Current Deferred	23,152 1,095,286 1,118,438	58,815 81,222 140,037
INCOME BEFORE EXTRAORDINARY ITEM	1,370,434	129,654
Recovery of income taxes		11,626
NET INCOME	\$ 1,370,434	\$ 141,280
EARNINGS PER SHARE Income before extraordinary item Net income	\$ 6.21 \$ 6.21	\$ 1.08 \$ 1.17

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	1981	1980
	1701	1900
FUNDS AT BEGINNING OF YEAR		
Cash and term deposits	\$ 1,602,072	\$ 639,854
	-	4 033,034
SOURCES OF FUNDS		
Funds from operations	1,569,908	234,769
Recovery of income taxes	-	11,626
Increase in deposits net of redemptions		
and withdrawals		
- Guaranteed investment certificates	68,961,992	12,963,356
- Other deposits	397,033	487,939
Increase in accounts payable and		
accrued expenses	4,563,208	363,817
Sale of securities	1,284,953	-
Increase in income taxes payable	-	39,989
Issue of common shares	3,482,341	304,000
Increase in deferred income	21,469	126,191
Decrease in consumer and loans on securities		
net of repayments	64,669	
	00 0/5 570	1/ 500 /05
	80,345,573	14,531,687
APPLICATION OF FUNDS		
Investment in joint venture	166,666	
Real estate investment properties net	100,000	-
of mortgages assumed	5,848,147	
Mortgage advances net of repayments	66,587,803	12,659,652
Increase in consumer and	00,507,005	12,000,002
loans on securities net of repayments	_	808,621
Acquisition of securities and amortization		000,021
of bond discount	4,433,377	. 36
Acquisition of premises and equipment	59,309	11,251
Reduction of mortgages payable	95,034	1,588
Reduction in income taxes payable	6,917	
Dividends	67,413	_
Other	1,292,112	88,321
	78,556,778	13,569,469
NEW THOTPLOT THE THURSE THE THE		
NET INCREASE IN FUNDS FOR THE YEAR	1,788,795	962,218
FINDS AT END OF TRAD		
FUNDS AT END OF YEAR Cash and term deposits	A 2 200 013	
odon and term deposits	\$ 3,390,867	\$ 1,602,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in preparation of these financial statements:

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries 495971 Ontario Inc. (a real estate holding corporation) and 466213 Ontario Limited (an Ontario small business development corporation).

(b) Loans

Mortgages are stated at cost, which include amounts advanced, accrued interest, less repayments, unamortized discounts, and prior charges. Discounts are amortized over the terms of the mortgages. The amount of accumulated payments by mortgagors to Seaway Trust Company in respect of property taxes, net of such taxes paid by the company, is included in "Accounts payable and accrued expenses".

Other loans are stated at cost less repayments and provision for losses.

(c) Securities

Securities are stated at amortized cost (market value 1981 - \$3.200.994: 1980 - \$69,750).

(d) Joint Venture

The investment in the joint venture is carried at cost.

(e) Real Estate Investment Properties

These properties are stated at the lower of cost, less accumulated depreciation or estimated net realizable value. Depreciation is provided on a sinking fund basis as follows:

Commercial properties - 6%, 50 years

Residential properties - 6%, 25 years



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Premises and Equipment

Premises and equipment are stated at historical cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets at the following annual rates:

Buildings	-	21/5%
Parking lots	-	5%
Equipment	-	10%
Leasehold improvements	-	20%

(g) Goodwill and Organization Expenses

Amortization of goodwill and organization expenses is computed on the straight-line method at an annual rate of 20%.

(h) Commissions

The cost of commissions paid on the sale of guaranteed investment certificates is deferred and amortized by charges to income over the terms of the certificates.

NOTE 2: MORTGAGES PAYABLE

The mortgages payable mature as follows:

1982	-	\$ 1,680,522
1983	-	149,000
1986	-	15,792,000
1991	-	7,898,150

\$ 25,519,672

NOTE 3: INCOME TAXES

The company follows the tax allocation basis of accounting for income taxes. Under this method, timing differences between reported and taxable income result in deferred taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 4: CAPITAL STOCK

Details of authorized and issued capital at December 31 are as follows:

	1981	1980
Authorized		
500,000 Common shares with a par		
value of \$10 each		
Issued		
466,340 Common shares		
(150,635 in 1980)	\$ 4,663,400	\$ 1,506,350
Contributed Surplus	325,291	-
Deposit outstanding from shareholder	3,000,000	-
	\$ 7,988,691	\$ 1,506,350

During the year, the company issued 315,705 common shares for cash consideration of \$3,482,341.

The deposit outstanding from a shareholder represents a subscription for treasury shares of the company pending confirmation of a petition to increase authorized capital outlined in Note ll(b).

At December 31, 1981 there were options outstanding to issue 101,000 common shares at \$10 per share. These options were granted in 1978 and expire August 23, 1985.

NOTE 5: EARNINGS PER SHARE

The earnings per share figures are calculated using the weighted monthly average number of shares outstanding during the respective years. Fully diluted earnings per share of \$4.52 reflect the result as if all share options with dilutive effects outstanding at the end of the period had been exercised at the beginning of the period. For the purpose of these calculations earnings of \$82,618 have been imputed at an after-tax rate of 8.18%.

NOTE 6: INVESTMENT RESERVE

The company has, at the discretion of management, appropriated from retained earnings an additional reserve of \$222,500 (1980 - \$18,000) for future losses on investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 7: ASSETS HELD FOR GUARANTEED DEPOSITS

Assets held for guaranteed deposits consist of:

Cash and term deposits	\$ 2,226,446
Securities	3,318,374
Mortgages	88,914,468
Other loans	902,636
	\$ 95,361,924

NOTE 8: FUNDS UNDER ADMINISTRATION

1981 - \$8,867,311 1980 - \$ 709,510

NOTE 9: COMMITMENTS

At December 31, 1981 outstanding commitments for future loan advances were \$11,713,750 (1980 - \$1,551,650).

NOTE 10: SEGMENTED INFORMATION

The principal segments of the company's operations are as follows:

- (i) Financial services, being mainly investment of shareholders' and depositors' funds in marketable investments, mortgages and collateral loans, and
- (ii) Real estate, being the development, rental and sale of land and commercial and residential properties.

	Financial Services	Real Estate	Consolidated
Revenue Net income Identifiable	\$ 9,328,767 \$ 766,977	\$ 8,137,877 \$ 603,457	\$ 17,466,644 \$ 1,370,434
assets	\$104,502,081	\$ 32,239,070	\$136,741,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 11: SUBSEQUENT EVENTS

- (a) The company acquired a 60.5% interest in 98.6% of the outstanding common shares of Eaton Bay Mortgage Corporation on January 13, 1982. The gross assets at the date of acquisition approximated \$73,000,000.
- (b) Under an Order in Council dated January 22, 1982, the company's by-law to provide for an increase in the authorized capital of the company from \$5,000,000 to \$35,000,000 was confirmed, and made effective on that date.

As a result of that Order, the authorized capital of the company now consists of:

- (c) On January 29, 1982 the company issued the following shares from Treasury:
 - For Services
 10,000 Series A preference shares \$ 250,000
 - For Cash
 120,000 Series B preference shares
 \$ 3,000,000

NOTE 12: RELATED PARTY TRANSACTIONS

- (a) Management fees in the amount of \$50,000 were paid to the parent company.
- (b) Mortgage receivable from officers amounted to \$152,118 at December 31, 1981. Yield on this mortgage approximated market rates in effect at the date of acquisition and is issued under similar terms as with unrelated parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 12: RELATED PARTY TRANSACTIONS (Continued)

- (c) The Company acquired, via assignment, mortgages amounting to approximately \$6,300,000 from a company related by virtue of common control. Yields on these mortgages approximated market rates in effect at their respective dates of acquisition.
- (d) The Company purchased an income-producing property from the parent company for \$2,000,000, its appraised market value at the date of acquisition.

NOTE 13: SUPPLEMENTARY INFORMATION

	1981	1980
Remuneration to senior officers of the company	\$ 171,126	\$ 112,221
Directors' fees paid during the year	\$ 1,100	\$ -
Depreciation and amortization	\$ 30,390	\$ 23,953

Seaway financial statement - December 3I, I981 - Corporate



SEAWAY TRUST COMPANY

NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981



Internationally: Spicer and Oppenheim

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AUDITORS' REPORT

To The Directors of Seaway Trust Company

We have examined the non-consolidated balance sheet of Seaway Trust Company as at December 31, 1981 and the non-consolidated statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these non-consolidated financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Port Colborne, Ontario February 26, 1982

CHARTERED ACCOUNTANTS

NON-CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1981

ASSETS

ASSEIS	1981	1980
Loans Mortgages Loans on securities Consumer	\$ 92,403,975 158,416 744,219	\$ 16,743,452 758,110 176,395
Cash and term deposits Deposit outstanding from shareholder Securities Joint venture Investment in subsidiaries Premises and equipment Goodwill and organization expenses Other	93,306,610 2,048,434 3,000,000 3,318,374 166,666 5,555,390 493,603 34,467 1,607,432	17,677,957 1,602,072 - 74,877 - 447,068 51,711 118,161
LIABILITIES	\$109,530,976	\$ 19,971,846
Guaranteed Deposits Deposits Guaranteed investment certificates Accounts payable and accrued expenses Income taxes payable Mortgages payable Deferred income Deferred income taxes	\$ 1,321,342 94,040,582 95,361,924 4,309,619 32,602 307,347 183,702 526,508	\$ 924,309 16,291,690 17,215,999 480,167 39,989 396,122 130,978 81,222
SHAREHOLDERS' EQUIT	100,721,702	18,344,477
CAPITAL STOCK AND CONTRIBUTED SURPLUS	7,988,691	1,506,350
INVESTMENT RESERVE	240,500	18,000
RETAINED EARNINGS	580,083	103,019
	8,809,274	1,627,369
	\$109,530,976	\$ 19,971,846
APPROVED BY THE BOA	ARD	
Director		Director

NON-CONSOLIDATED STATEMENT OF RETAINED EARNINGS

		1981		1980
BALANCE AT BEGINNING OF YEAR	. \$	103,019	(\$	20,261)
Net income	-	766,977	-	141,280
		869,996		121,019
Dividends		67,413		-
Transfer to investment reserve		222,500		18,000
		289,913		18,000
BALANCE AT END OF YEAR	\$	580,083	\$	103,019

NON-CONSOLIDATED STATEMENT OF INCOME

	1981	1980
Mortgage interest Loan interest Investment income Fees and commissions Real estate commissions Other	\$ 6,811,845 128,351 928,694 1,273,409 152,195 45,266 9,339,760	\$ 916,988 32,196 163,801 317,043 136,733 23,844 1,590,605
EXPENSES Interest on deposits and borrowings Salaries and staff benefits Premises Administrative Real estate sales commissions	7,223,561 360,972 98,389 419,232 97,264	854,093 174,207 60,506 147,603 87,631
GAIN ON SALE OF INVESTMENTS	8,199,418 1,140,342 95,073	266,565 3,126
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	1,235,415	269,691
INCOME TAXES Current Deferred	23,152 445,286 468,438	58,815 81,222 140,037
INCOME BEFORE EXTRAORDINARY ITEM	766,977	129,654
Recovery of income taxes		11,626
NET INCOME	\$ 766,977	\$ 141,280
EARNINGS PER SHARE Income before extraordinary item Net income	\$ 3.47 \$ 3.47	\$ 1.08 \$ 1.17



NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in preparation of these financial statements:

(a) Investment In Subsidiary Companies

These financial statements have been prepared on the basis of accounting for the investment in wholly-owned subsidiary companies, 495971 Ontario Inc. and 466213 Ontario Limited, using the cost method of accounting instead of on a consolidated basis. In all other respects, these financial statements are in accordance with generally accepted accounting principles.

The cost method of accounting for this investment is considered appropriate because non-consolidated financial statements are required for managerial purposes and for filing with income tax authorities. Consolidated financial statements have been presented separately to the shareholders.

(b) Loans

Mortgages are stated at cost, which include amounts advanced, accrued interest, less repayments, unamortized discounts, and prior charges. Discounts are amortized over the terms of the mortgages. The amount of accumulated payments by mortgagors to Seaway Trust Company in respect of property taxes, net of such taxes paid by the company, is included in "Accounts payable and accrued expenses".

Other loans are stated at cost less repayments and provision for losses.

(c) Securities

Securities are stated at amortized cost (market value 1981 - \$3,200,994; 1980 - \$69,750).

(d) Joint Venture

The investment in the joint venture is carried at cost.

Cont'd....

MACGILLIVRAY & CO. CHARTERED ACCOUNTANTS

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Premises and Equipment

Premises and equipment are stated at historical cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets at the following annual rates:

Buildings		21/2%
Parking lots	-	5%
Equipment		10%
Leasehold improvements	-	20%

(f) Goodwill and Organization Expenses

Amortization of goodwill and organization expenses is computed on the straight-line method at an annual rate of 20%.

(g) Commissions

The cost of commissions paid on the sale of guaranteed investment certificates is deferred and amortized by charges to income over the terms of the certificates.

NOTE 2: MORTGAGES PAYABLE

The mortgages payable mature as follows:

1982 1983	-	\$ 158,347
		\$ 307,347

NOTE 3: INCOME TAXES

The company follows the tax allocation basis of accounting for income taxes. Under this method, timing differences between reported and taxable income result in deferred taxes.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 4: CAPITAL STOCK

Details of authorized and issued capital at December 31 are as follows:

			1700
Authorized			
500,000	Common shares with a par value of \$10 each		
Issued			
466,340	Common shares		
	(150,635 in 1980)	\$ 4,663,400	\$ 1,506,350
Contribute	d Surplus	325,291	_
Deposit ou	tstanding from shareholder	3,000,000	-
		\$ 7,988,691	\$ 1,506,350

1981

1080

During the year, the company issued 315,705 common shares for cash consideration of \$3,482,341.

The deposit outstanding from a shareholder represents a subscription for treasury shares of the company pending confirmation of a petition to increase authorized capital outlined in Note 10(b).

At December 31, 1981 there were options outstanding to issue 101,000 common shares at \$10 per share. These options were granted in 1978 and expire August 23, 1985.

NOTE 5: EARNINGS PER SHARE

The earnings per share figures are calculated using the weighted monthly average number of shares outstanding during the respective years. Fully diluted earnings per share of \$2.64 reflect the result as if all share options with dilutive effects outstanding at the end of the period had been exercised at the beginning of the period. For the purpose of these calculations earnings of \$82,618 have been imputed at an after-tax rate of 8.18%.

NOTE 6: INVESTMENT RESERVE

The company has, at the discretion of management, appropriated from retained earnings an additional reserve of \$222,500 (1980 - \$18,000) for future losses on investments.



NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 7: ASSETS HELD FOR GUARANTEED DEPOSITS

Assets held for guaranteed deposits consist of:

 Cash and term deposits
 \$ 2,226,446

 Securities
 3,318,374

 Mortgages
 88,914,468

 Other loans
 902,636

\$ 95,361,924

NOTE 8: FUNDS UNDER ADMINISTRATION

1981 - \$8,867,311

1980 - \$ 709,510

NOTE 9: COMMITMENTS

At December 31, 1981 outstanding commitments for future loan advances were \$11,713,750 (1980 - \$1,551,650).

NOTE 10: SUBSECUENT EVENTS

- (a) The company acquired a 60.5% interest in 98.6% of the outstanding common shares of Eaton Bay Mortgage Corporation on January 13, 1982. The gross assets at the date of acquisition approximated \$73,000,000.
- (b) Under an Order in Council dated January 22, 1982, the company's by-law to provide for an increase in the authorized capital of the company from \$5,000,000 to \$35,000,000 was confirmed, and made effective on that date.

As a result of that Order, the authorized capital of the company now consists of:

400,000 Preference shares, par value \$25 to be issued in series 2,500,000 Common shares, par value \$10

\$ 10,000,000

25,000,000

\$ 35,000,000

- (c) On January 29, 1982 the company issued the following shares from Treasury:
 - For Services 10,000 Series A preference shares

\$ 250,000

- For Cash 120,000 Series B preference shares

\$ 3,000,000

Cont'd ...

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

NOTE 11: RELATED PARTY TRANSACTIONS

- (a) Management fees in the amount of \$50,000 were paid to the parent company.
- (b) Mortgage receivable from officers amounted to \$152,118 at December 31, 1981. Yield on this mortgage approximated market rates in effect at the date of acquisition and is issued under similar terms as with unrelated parties.
- (c) The Company acquired, via assignment, mortgages amounting to approximately \$6,300,000 from a company related by virtue of common control. Yields on these mortgages approximated market rates in effect at their respective dates of acquisition.

NOTE 12: SUPPLEMENTARY INFORMATION

	1981	1980
Remuneration to senior officers of the company	\$ 171,126	\$ 112,221
Directors' fees paid during the year	¢ 1 100	^
·	\$ 1,100	\$
Depreciation and amortization	\$ 30,390	\$ 23,953

Greymac financial statement -December 31, 1981 - Greymac Mortgage - Consolidated



GREYMAC MORTGAGE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

Clarkson Gordon

Chartered Accountants

PO Box 251 Toronto-Dominion Centre Toronto, Canada M5K 1J7 (416) 864-1234

AUDITORS' REPORT

To the Shareholders of Greymac Mortgage Corporation:

We have examined the consolidated balance sheet of Greymac Mortgage Corporation as at December 31, 1981 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the corporation, these consolidated financial statements present fairly the financial position of the corporation as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the change in accounting for revenue-producing properties as described in note 2(e), on a basis consistent with that of the preceding year.

The consolidated financial statements for the preceding year were examined by other Chartered Accountants.

Toronto, Canada, February 5, 1982

(February 22 and March 12, 1982, with respect to notes 15 and 16).

Clarkson Gordon

Chartered Accountants

(Incorporated under the lawe of Canada)

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1981 (with comparative figures at December 31, 1980)

		559, 227 526, 840 - - 104, 786	853 709 569	53,348 82,725 36,073	638	413 051 700		000 100 186	286	532
	1980	\$ 559, 526, - 104,	1,190,853 105,631,860 3,755,709 109,387,569	53,348 382,725 436,073	6,016,638	180,413		4,679,000 93,100 764,186	5,486,286	\$123,141,532
RS' EQUITY	1981	1,041,562 400,000 471,849 618,279	2,531,690 178,150,519 7,128,388 185,278,907	3,073,639 5,243,838 8,317,477	5,648,000	5,648,000		8,229,000 93,100 1,263,701	\$,231,240 14,817,041	\$217,513,815
LIABILITIES AND SHAREHOLDERS' EQUITY		Bank indebtedness Accounts payable and accrued liabilities Due to Gerymac Trust Company, an affiliate Due to parent, Gerymac Credit Corporation Income taxes payable	Debentures (note 9) Accrued interest	Mortgage security deposits Deferred interest income	Mortgages payable on revenue-producing properties (note 10) Mortgages payable on land held for future	development Deferred income taxes	Shareholders' equity:	Share capital (note 11) Contributed surplus Retained earnings	over depreciated cost (notes 2(e) and 2(g))	
	1980	8,516,755	3,557,875 92,462,242 2,440,777	98,460,894	13,433,821 233,286 13,667,107	595,238	37,440	1,864,098		\$123,141,532
	1981	\$ 8,989,372 7,000,000 - - - - - - - - - - - - - - - -	4,079,875 165,257,938 4,060,558 1,282,601	500,000	8,860,000 1,036,943 9,896,943	595,238 5,455,788 6,051,026	6,212,570	4,182,932		\$217,513,815
ASSETS		Cash Certificate of deposit (note 15) Short-term investments	Government of Canada bonda (market value \$1,801,300; \$1,420,000 in 1980) Mortgages (note 3) Accrued interest Real estate acquired in settlement of mortgages	(note 16)	Revenue-producing properties (note 4) Land held for future development	Investment in BB & E Corporation (note 5) Investment in joint venture (note 6)	Fixed assets (note 7)	Other assets (note 8)		

GREYMAC MORTGAGE CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 1981 (with comparative figures for 1980)

	1981	1980
Income: Interest on mortgages and other loans Other interest Rent Mortgage placement and administration fees Sundry	\$18,731,776 2,036,134 2,041,485 1,402,471 130,740 24,342,606	\$11,285,833 484,113 443,454 291,709 - 12,505,109
Expenses: Interest Administrative Depreciation and amortization	19,483,086 4,982,006 546,231 25,011,323	9,192,928 2,512,458 198,965 11,904,351
Operating (loss) income	(668,717)	600,758
Gain on sale of revenue-producing properties (note 12)	2,221,232	
Income before income taxes	1,552,515	600,758
Income taxes: Current Deferred	576,000 477,000 1,053,000	70,000 250,000 320,000
Net income for the year	499,515	280,758
Retained earnings, beginning of year	764,186	483,428
Retained earnings, end of year	\$ <u>1,263,701</u>	\$ 764,186

(See accompanying notes to consolidated financial statements)

GREYMAC MORTGAGE CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1981 (with comparative figures for 1980)

	1981	1980
Sources of cash:		
Sale price of revenue-producing properties	\$ 29,254,250	\$ -
Mortgages assumed by purchaser	6,009,000	
Mortgages taken back	1,000,000	90
	22,245,250	-
Mortgage loans obtained on	5,640,362	6,016,638
revenue-producing properties Issue of debentures, net of redemptions	75,891,338	48,962,868
Increase in deferred interest income	4,861,113	292,581
Issue of common and preference shares	3,600,000	1,653,000
Increase (decrease) in mortgage security		
deposits	3,020,291	(760,819)
Increase in other liabilities	1,219,651	515,259
	116,478,005	56,679,527
Applications of cash:		
Operations - Net income for the year	(499,515)	(280,758)
Add (deduct) items not involving cash:		(0.00 0.00)
Deferred income taxes	(477,000)	(250,000)
Depreciation and amortization	(546,231)	(198,965)
Gain on sale of properties included in	2,221,232	-
sale price above	698, 486	(729,723)
Mortgage loans, net of repayments and		
provision for losses	74,698,078	32,877,164
Purchase of revenue-producing properties	19,290,185	13,515,305
Investment in joint venture	5,455,788	_
Purchase of fixed assets	4,570,029 734,724	233,286
Purchase of land held for future development	522,000	2,557,875
Purchase of bonds	522,000	595,238
Investment in BB & E Corporation	2,476,871	1,527,599
Increase in other assets	108,446,161	50,576,744
Increase in cash during the year	8,031,844	6,102,783
loss bank indebtedness.		
Short-term investments less bank indebtedness, beginning of year	7,957,528	1,854,745
	h = = 000 070	\$ 7,957,528
Cash and certificate of deposit, end of year	\$ 15,989,372	\$_7,937,320
Represented by:		š -
Cash	\$ 8,989,372 7,000,000	-
Certificate of deposit	7,000,000	8,516,755
Short-term investments	_	(559,227)
Bank indebtedness		
	\$ 15,989,372	\$ 7,957,528

(See accompanying notes to consolidated financial statements)

GREYMAC MORTGAGE CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. Regulatory Acts

The corporation was incorporated under a special act of Parliament and is regulated under the federal Loan Companies Act and the Ontario Loan and Trust Corporations Act.

2. Summary of significant accounting policies

- (a) Principles of consolidation -The accompanying consolidated financial statements include the accounts of the corporation and its wholly-owned subsidiary, Greymac Properties Inc.
- (b) Bonds
 Bonds are recorded at amortized cost.
- (c) Mortgages -
 - Mortgages are recorded at amortized cost less repayments and an allowance for losses. Deferred interest income on mortgages is amortized to income over the terms of the related mortgages.
- (d) Real estate acquired in settlement of mortgages -This real estate is recorded at the lower of estimated realizable value and amortized cost of the related mortgages.
- (e) Revenue-producing properties -In 1980, revenue-producing properties were carried at cost less accumulated depreciation. At December 31, 1981, the corporation increased the carrying value of its remaining properties to an amount which is not greater than the market value established by

accredited appraisers as at that date, with the excess of such value over depreciated cost included in shareholders' equity.

Depreciation on buildings in 1980 and 1981 was provided at 2 1/2% of cost per annum on a straight-line basis.

- (f) Land held for future development The land is recorded at cost plus related architects' fees.
- (g) Fixed assets -

The land and building, which are undergoing renovation for use as the corporation's head office, are carried at market value established by an accredited appraiser as at November 16, 1981, with subsequent renovations included at cost. The excess of appraised value over cost at that date is included in shareholders' equity. Depreciation on the appraised value of the building plus renovation costs will be provided on a straight-line basis at 2 1/2% per annum commencing on the date of occupancy by the corporation.

Other fixed assets are recorded at cost with depreciation provided at rates designed to amortize such cost over the expected economic lives as follows:

Furniture and fixtures - 10% straight line
Office equipment - 30% declining balance

(h) Deferred expenditures on issue of debentures -

Commissions incurred in connection with the sale of five-year debentures are deferred with other assets to a maximum of 1% of the principal amount of debentures issued and are amortized over the related terms to maturity. Commissions in excess of the 1% maximum are charged against income as incurred.

(i) Income taxes -

The corporation follows the tax allocation basis of providing for income taxes. Under this method, differences between reported and taxable income (such differences being principally attributable to depreciation provisions and mortgage loss allowances) result in deferred income taxes.

Mortgages

		1981	1980
(a)	Total mortgages administered by the corporation, net of allowance for losses (see (b) below)	\$206,700,155	\$ 120,231,681
	Less: Related mortgages payable Participation by other investors	14,973,637 26,468,580 41,442,217	7,153,002 20,616,437 27,769,439
	Mortgages net of allowance for losses	\$ <u>165,257,938</u>	\$ 92,462,242
(b)	Continuity of allowance for losses: Opening balance Mortgages written off during the year	\$ 618,000 480,000 138,000	\$ 549,000 273,000 276,000
	Provision for losses	924,000	342,000
	Closing balance	\$ 1,062,000	\$ 618,000
(c)	Mortgages mature as follows:		
	1982 1983 1984 1985 1986 and subsequent	\$ 62,210,695 23,139,853 32,326,830 20,463,040 27,117,520	
		\$165,257,938	

(d) Mortgages are comprised of approximately 75% residential and 25% commercial real estate loans.

. Revenue-producing properties

	1981	1980
Buildings Less accumulated depreciation	\$4,100,993 145,950 3,955,043	\$ 9,988,957 81,484 9,907,473
Land	4,904,957	3,526,348
	\$8,860,000	\$ <u>13,433,821</u>

For income tax purposes, the cost of land and buildings is approximately \$5,246,000.

Investment in BB & E Corporation

	1981	1980
9% Subordinated debenture in the principal amount of U.S. \$400,000, due November 30, 1985, non-interest bearing through November 30, 1982 and thereafter bearing interest at	\$ 476 , 190	\$476,190
9% to maturity	3 470,170	* *, =
1,000 common shares (approximately 5.6% of total outstanding)	119,048	119,048
	\$595,238	\$595,238

Investment in joint venture

During 1981, the corporation entered into a joint venture agreement with 40 Delaware East Joint Venture to provide all the financing necessary for the purchase and conversion to condominium units of the Maryland Hotel in Chicago, Illinois. Under the agreement, the corporation is to receive interest (see note 8) on its investment at the Canadian bank prime rate plus 3 1/2% and holds a 50% equity interest in the joint venture's operations. The investment is secured by mortgages registered against the property. Conversion to condominium units is expected to be completed in mid-1982 with additional financing required

estimated to be \$4,000,000. The ultimate realization of this investment is dependent upon the successful marketing of the condominium units.

The joint venture's financial position at December 31, 1981 is summarized below. The corporation is jointly and severally liable for the joint venture's liabilities.

40 Delaware East Joint Venture

Unaudited Balance Sheet (in U.S. dollars)

Assets		Liabilities and Partners' Equity	
Cash	\$ 24,162	Mortgage payable to Greymac Properties Inc. \$4,559,28	27
Land and building	2,204,190	oreymae respectives the. \$4,555,20	,
D		Deficit (140,16	4)
Renovation expenditures	2,169,623 4,373,813		
Other	21,148		
	\$4,419,123	\$4,419,12	3

In January, 1982, Greymac Trust Company (formerly Macdonald-Cartier Trust Company), an affiliate, agreed with the corporation to participate in the financing of this joint venture through acquisition, at cost, of \$2,800,000 of the corporation's investment.

7. Fixed assets

	1981	1980
Furniture, fixtures and office equipment Less accumulated depreciation	\$ 254,960 32,020 222,940	\$57,611 20,171 37,440
Land (note 2(g)) Building (note 2(g))	3,555,000 2,434,630	
	\$6,212,570	\$37,440

For income tax purposes, the land and building have a cost of approximately \$4,373,000.

Other assets

	1981		1980
Mortgage placement and administration fees receivable Interest receivable from 40 Delaware East	\$1,174,287	\$	-
Joint Venture	536,781		- 01 007
Rent receivable	47,755 468,141		21,087
Notes receivable (note 13(c))	798,151		75,106
Other receivables Commercial loans	229,406		232,200
Expenses recoverable from mortgagors	109,107		76,000 48,000
Cash surrender value of life insurance	104,190		40,000
Deferred expenditures on issue of	480,114		511,705
debentures Mortgage security deposits	235,000	-	400,000
10116969	\$ <u>4,182,932</u>	\$	1,864,098

\$674,287 due from unrelated parties which was collected subsequent to year end. Also included is \$500,000 receivable from the corporation's parent, Greymac Credit Corporation, for fees received by that corporation in December from a third party but earned by Greymac Mortgage Corporation. These fees were forwarded to the corporation in February, 1982.

Debentures

Debentures mature as follows:

1982	\$ 96,366,923
1983	16,949,894
1984	27,085,973
1985	25,188,085
1986	12,559,644
	\$ <u>178,150,519</u>

10. Mortgages payable on revenue-producing properties

	1981	1980
Victoria and Grey Trust Company, interest at the greater of Bank of Montreal prime rate plus 2% or the Victoria and Grey Trust Company five-year guaranteed investment certificate rate plus 2%, due December 1, 1986	\$2,100,000	\$2,100,000
International Trust Company, interest at the bank prime rate plus 2%, due June 1, 1982	3,500,000	-
Central Trust Company	-	1,168,962
Greymac Mortgage Corporation as trustee for participants	-	2,598,992
Greymac Credit Corporation	-	148,684
Other	48,000	-
	\$5,648,000	\$6,016,638
Principal repayments on the mortgages are due	as follows:	
1982 1983 1984 1985 1986	\$3,500,000 48,000 Nil Nil 2,100,000	
	\$5,648,000	

In January, 1982, the International Trust Company mortgage was discharged.

11. Share capital

1980 1981

Authorized:

500,000 preference shares, par value \$10 each, issuable in series 150,000 common shares, par value \$100 each

Issued:

100,000 preference shares, Series A, 15%, non-cumulative, redeemable at par value of \$10 each

72,290 common shares

(46.290 shares in 1980)

\$1,000,000 \$ -

\$8,229,000

7,229,000 \$4,629,000

4,629,000

In 1981, the corporation issued 26,000 common shares for cash consideration of \$2,600,000. In addition, 100,000 preference shares at \$10 each were issued as partial consideration for the purchase of a mortgage as outlined in note 13(b).

Gain on sale of revenue-producing properties 12.

During 1981, the corporation's subsidiary sold revenue-producing properties for \$29,254,250 resulting in a gain of \$2,221,232. As partial consideration, the subsidiary received cash of \$22,245,250 and took back mortgages on the properties totalling \$1,000,000 which mature in December, 1984. The balance of the purchase price was satisfied through the assumption by the purchaser of existing mortgages and related accrued interest totalling \$6,009,000. Subsequently, the corporation purchased mortgages on these properties at a cost of \$15,778,000.

13. Related party transactions

(a) Fees -

In 1981, the corporation paid fees for management services totalling \$565,400 (1980 - \$376,400) to Greymac Credit Corporation, and an affiliate, Parfor Investments Limited.

(b) Mortgages -

During 1981, the corporation purchased from Greymac Credit

Corporation for Cdn. \$1,950,000, a U.S. \$2,500,000 mortgage

carrying interest at 8% to December, 1982 and 8 7/8% thereafter to

maturity in June, 1993. Blended payments of principal and

interest of U.S. \$30,000 per month commence in December, 1986 with

no further principal payments due until maturity.

The consideration consisted of \$950,000 in cash, and the issue of 100,000 of the corporation's preference shares from treasury at par value of \$10 each. For income tax purposes, this mortgage has a cost to the corporation of \$1,450,000 being the cost to Greymac Credit Corporation.

The corporation also purchased from its parent a number of additional mortgages at their amortized cost to the parent of \$2,156,500.

(c) Notes receivable -

The corporation holds notes receivable from unrelated parties aggregating \$450,700 (1980 - \$500,000) which were purchased from an affiliated company. The affiliate has guaranteed an effective yield of bank prime plus 2% on the notes which mature from July, 1982 to January, 1983.

14. Commitments

Outstanding commitments for mortgage advances at December 31, 1981 amounted to \$6,833,000 (1980 - \$10,500,000).

15. Contingent liabilities and assets pledged as collateral

As security for a bank loan of Greymac Credit Corporation in the sum of \$7,000,000 at December 31, 1981, the corporation has pledged a \$7,000,000 certificate of deposit that it held to the bank. On February 22, 1982, Greymac Credit Corporation reduced its bank loans by \$7,000,000 and, as a consequence, the certificate of deposit was released as collateral.

16. Additional subsequent events

On February 3, 1982, the corporation purchased 190,000 (approximately 5%) common shares of the Canadian Commercial Bank for cash of \$5,700,000.

On February 22, 1982, the corporation paid a \$4,000,000 cash dividend on its common shares to Greymac Credit Corporation.

On March 12, 1982, the corporation paid a \$500,000 cash dividend on its common shares to Greymac Credit Corporation and was repaid the \$500,000 due from that corporation at year-end.

17. Reclassification of comparative figures

Certain 1980 comparative figures have been reclassified to conform with the accounting presentation adopted in 1981.



Greymac financial statement-December 3I, 1981 - Greymac Mortgage - Corporate



GREYMAC MORTGAGE CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 1981

Clarkson Gordon

Chartered Accountants

P.O. Box 251 Toronto-Dominion Centre Toronto, Canada M5K 1J7 (416) 864-1234

AUDITORS' REPORT

To the Directors of Greymac Mortgage Corporation:

We have examined the balance sheet of Greymac Mortgage Corporation as at December 31, 1981 and the statements of income and retained earnings and changes in financial position for the year then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the corporation, these financial statements present fairly the financial position of the corporation as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, except that they are prepared on a non-consolidated basis as explained in note 2(a), applied on a basis consistent with that of the preceding year.

The financial statements for the previous year were examined by other Chartered Accountants whose opinion was also qualified because the financial statements were prepared on a non-consolidated basis.

On February 5, 1982, we reported without qualification to the shareholders on the company's consolidated financial statements.

Toronto, Canada, February 5, 1982 (February 22 and March 12, 1982,

with respect to notes 11 and 12).

Clarkson Gordon

Chartered Accountants

GREYMAC : (Incorporated

Ę

(with comparative

ASSETS

	1981	1980
Cash Certificate of deposit (note 11) Short-term investments	\$ 8,971,863 7,000,000 - 15,971,863	\$ - 8,516, 8,516,
Government of Canada bonds (market value \$3,801,300; 1980 - \$3,420,000) Mortgages (note 3) Accrued interest Real estate acquired in settlement of mortgages	4,079,875 164,704,175 4,060,558 1,282,601 174,127,209	3,557, 92,462, 2,440, - 98,460,
Due from parent, Greymac Credit Corporation (note 12)	500,000	
Investment in wholly-owned subsidiary, Greymac Properties Inc. (note 4)	8,647,975	8,507,
Fixed assets (note 5)	6,175,317	37,
Other assets (note 6)	2,565,245	1,367,
	\$207,987,609-	\$116,890
		(See

PRICAGE CORPORATION
Inder the laws of Canada)

LANCE SHEET

MBER 31, 1981
Igures at December 31, 1980)

LIABILITIES AND SHAREHOLDERS' EQUITY

• •	1981	1980
Bank indebtedness Accounts payable and accrued liabilities Due to Greymac Trust Company, an affiliate Due to parent, Greymac Credit Corporation Income taxes payable	\$ 627,721 400,000 166,208 618,279 1,812,208	\$ 559,227 402,926 - 104,786 1,066,939
Debentures (note 7) Accrued interest	178,150,519 7,128,388 185,278,907	105,631,860 3,755,709 109,387,569
Mortgage security deposits Deferred interest income	3,073,639 5,243,838 8,317,477	53,348 382,725 436,073
Deferred income taxes	920,700	443,700
Shareholders' equity: Share capital (note 8) Contributed surplus Retained earnings Excess of appraised value of land and building over cost (note 2(e))	8,229,000 93,100 1,719,267 1,616,950 11,658,317	4,629,000 93,100 833,823 ————————————————————————————————————
	\$207,987,609	\$116,890,204

ompanying notes)

GREYMAC MORTGAGE CORPORATION

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 1981 (with comparative figures for 1980)

	1981	1980
Income: Interest on mortgages and other loans Other interest Mortgage placement and administration fees	\$20,751,406 2,036,134 1,702,471 24,490,011	\$11,285,833 484,113 291,709 12,061,655
Expenses: Interest Administrative Depreciation and amortization	18,579,415 3,802,266 169,886 22,551,567	9,071,377 2,186,338 133,545 11,391,260
Income before income taxes	1,938,444	670,395
Income taxes: Current Deferred	-576,000 477,000 1,053,000	70,000 250,000 320,000
Net income for the year	-885-,444	350,395
Retained earnings, beginning of year	833,823	483,428
Retained earnings, end of year	\$ 1,719,267	\$ 833,823

(See accompanying notes)

GREYMAC MORTGAGE CORPORATION

STATEMENT OF CHANGES IN FINANCIAL FOSITION

YEAR ENDED DECEMBER 31, 1981 (with comparative figures for 1980)

	1981	1980
Sources of cash:		
Operations -		
Net income for the year	\$ 885,444	\$ 350,395
Add items not involving cash:		
Deferred income taxes	477,000	250,000
Depreciation and amortization	169,886	133,545
•	1,532,330	733,940
Issue of debentures, net of redemptions	75,891,338	48,962,868
Issue of common and preference shares	3,600,000	1,653,000
Increase in deferred interest income	4,861,113	292,581
Increase (decrease) in mortgage security		•
deposits	3,020,291	(760,819)
Increase in other liabilities	291,003	180,294
Increase in income taxes payable	513,493	15,638
payaore	89,709,568	51,077,502
Applications of cash:		
Mortgage loans, net of repayments and		
provision for losses	75,144,315	32,877,164
Purchase of bonds	522,000	2,557,875
Purchase of fixed assets	4,532,776	_
Advances to wholly-owned subsidiary	140,765	8,507,210
Increase in other assets	1,355,377	1,032,470
THETEGOE TH OFHEL GOOGLO	81,695,233	44,974,719
	61,000,200	44,574,725
Increase in cash during year	8.014,335	6,102,783
	.,,	
Short-term investments less bank indebtedness,		
beginning of year	7,957,528	1,854,745
3	the state of the s	-
Cash and certificate of deposit, end of year	\$15,971,863	\$ 7,957,528
	The state of the s	
Represented by:		
Cash	\$ 2,971,863	\$
Certificate of deposit	7,000,000	
Short-term investments	-	8,516,755
Bank indebtedness	-	(559,227)
	Charles Control of the Control of th	
	\$15,971,863	\$ 7,957,528

(See accompanying notes)

GREYMAC MORTGAGE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. Regulatory Acts

The corporation was incorporated under a special act of Parliament and is regulated under the federal Loan Companies Act and the Ontario Loan and Trust Corporations Act.

2. Summary of significant accounting policies

(a) Basis of presentation -

These financial statements are prepared principally for income tax purposes and, accordingly, the investment in the wholly—owned subsidiary, Greymac Properties Inc. (formerly 447276 Ontario Limited), is carried on the cost basis of accounting. In all other respects these financial statements are prepared in accordance with generally accepted accounting principles. Consolidated financial statements have been presented separately to the shareholders.

- (b) Bonds -Bonds are recorded at amortized cost.
- (c) Mortgages -

Mortgages are recorded at amortized cost less repayments and an allowance for losses. Deferred interest income on mortgages is amortized to income over the terms of the related mortgages.

(d) Real estate acquired in settlement of mortgages -This real estate is recorded at the lower of estimated realizable value and amortized cost of the related mortgages.

(e) Fixed assets -

The land and building, which are undergoing renovation for use as the corporation's head office, are carried at market value established by an accredited appraiser as at November 16, 1981, with subsequent renovations included at cost. The excess of appraised value over cost at that date is included in shareholders' equity. Depreciation on the appraised value of the building plus renovation costs will be provided on a straight-line basis at 2 1/2% per annum commencing on the date of occupancy by the corporation.

Other fixed assets are recorded at cost with depreciation provided

at rates designed to amortize such cost over the expected economic

lives as follows:

Furniture and fixtures - 10% straight line
Office equipment - 30% declining balance

(f) Deferred expenditures on issue of debentures -

Commissions incurred in connection with the sale of five-year debentures are deferred with other assets to a maximum of 1% of the principal amount of debentures issued and are amortized over the related terms to maturity. Commissions in excess of the 1% maximum are charged against income as incurred.

(g) Income taxes -

The corporation follows the tax allocation basis of providing for income taxes. Under this method, differences between reported and taxable income (such differences being principally attributable to depreciation provisions and mortgage loss allowances) result in deferred income taxes.

3. Mortgages

		1981	1980
(a)	Total mortgages administered by the corporation, net of allowance for losses (see (b) below)	\$206,146,392	\$120,231,681
	Less: Related mortgages payable Participation by other investors	14,973,637 26,468,580 41,442,217	7,153,002 20,616,437 27,769,439
	Mortgages net of allowance for losses	\$ <u>164,704,175</u>	\$_92,462,242
(b)	Continuity of allowance for losses:		
	Opening balance Mortgages written off during the year	\$ 618,000 480,000 138,000	\$549,000 273,000 276,000
	Provision for losses	924,000	342,000
	Closing balance	\$1,062,000	\$618,000
(c)	Mortgages mature as follows:		
	1982 1983 1984 1985 1986 and subsequent	\$ 62,210,695 23,586,090 31,326,830 20,463,040 27,117,520 \$164,704,175	

(d) Mortgages are comprised of approximately 75% residential and 25% commercial real estate loans.

4. Investment in wholly-owned subsidiary, Greymac Properties Inc.

	1981	1980
Common shares (note 11) Unsecured advances, due on demand and bearing interest at the corporation's debenture rate	\$1,100,001	\$1,100,001
	7,547,974	7,407,209.
	\$8,647,975	\$8,507,210

In January, 1982, the corporation converted \$8,500,000 of its advances to common shares of the subsidiary.

Fixed assets

	1981	1980
Furniture, fixtures and office equipment Less accumulated depreciation	\$ 217,707 32,020 185,687	\$57,611 20,171 37,440 A
Land (note 2(e)) Building (note 2(e))	3,555,000 2,434,630 5,989,630	
	\$6,175,317	\$ <u>37,440</u>

For income tax purposes, the land and building have a cost of approximately \$4,373,000.

6. Other assets

*	1981	1980
Notes receivable (note 9(c)) Commercial loans	\$ 468,141 229,406	\$ 500,000 232,200
Mortgage placement and administration fees receivable	3 177 007	, , , , , , , , , , , , , , , , , , , ,
Expenses recoverable from mortgagors	1,174,287	76,000
Cash surrender value of life insurance	104,190	48,000
Deferred expenditures on issue of debentures	480,114	511,705
	\$2,565,245	\$ <u>1,367,905</u>

Included in mortgage placement and administration fees receivable is \$674,287 due from unrelated parties which was collected subsequent to year-end. Also included is \$500,000 receivable from the corporation's parent, Greymac Credit Corporation, for fees received by that corporation in December from a third party but earned by Greymac Mortgage Corporation. These fees were forwarded to the corporation in February, 1982.

7. Debentures

Debentures mature as follows:

1982	\$ 96,366,923
1983	16,949,894
1984	27,085,973
1985	25,188,085
1986	12,559,644
1900	\$178,150,519

Share capital

1981 Authorized: 500,000 preference shares, 4 1/2%, non-

cumulative, redeemable at par value of \$10 each 150,000 common shares, par value \$100 each

Tssued:

\$1,000,000 \$ -100,000 preference shares 72,290 common shares 4,629,000 7,229,000 (46,290 shares in 1980)

\$4,629,000 \$8,229,000

1980

In 1981, the corporation issued 26,000 common shares for cash consideration of \$2,600,000. In addition, 100,000 preference shares at \$10 each were issued as partial consideration for the purchase of a mortgage as outlined in note 9(b).

Related party transactions

Fees -(a)

In 1981, the corporation paid fees for management services totalling \$565,400 (1980 - \$376,400) to Greymac Credit Corporation and an affiliate, Parfor Investments Limited. Further, the corporation received \$300,000 in 1981 (1980 - mil) from Greymac Properties Inc. for management services rendered to that subsidiary.

(b) Mortgages -

During 1981, the corporation purchased from Greymac Credit

Corporation for Cdn. \$1,950,000, a U.S. \$2,500,000 mortgage

carrying interest at 8% to December, 1982 and 8 7/8% thereafter to

maturity in June, 1993. Blended payments of principal and

interest of U.S. \$30,000 per month commence in December, 1986 with

no further principal payments due until maturity.

The consideration consisted of \$950,000 in cash, and the issue of 100,000 of the corporation's preference shares from treasury at par value of \$10 each. For income tax purposes, this mortgage has a cost to the corporation of \$1,450,000 being the cost to Greymac Credit Corporation.

The corporation also purchased from its parent a number of additional mortgages at their amortized cost to the parent of \$2,156,500.

(c) Notes receivable -

The corporation holds notes receivable from unrelated parties aggregating \$450,700 (1980 - \$500,000) which were purchased from an affiliated company. The affiliate has guaranteed an effective yield of bank prime plus 2% on the notes which mature from July, 1982 to January, 1983.

10. Commitments

Outstanding commitments for mortgage advances at December 31, 1981 amounted to \$6.833,000 (1980 - \$10,500,000).

11. Contingent liabilities and assets pledged as collateral

As security for bank loans of Greymac Credit Corporation which totalled \$12,500,000 at December 31, 1981, the corporation has issued a \$6,000,000 debenture to the bank and pledged its \$7,000,000 certificate of deposit and its shares of Greymac Properties Inc. On February 22, 1982, Greymac Credit Corporation reduced its bank loans by \$7,000,000. As a consequence, the certificate of deposit was released as collateral.

In addition, the corporation has guaranteed a \$2,100,000 mortgage of its subsidiary.

12. Additional subsequent events

- On February 3, 1982, the corporation purchased 190,000 (approximately 5%) common shares of the Canadian Commercial Bank for cash of \$5,700,000.
- On February 22, 1982, the corporation received a stock dividend of 3,014 common shares at \$1,000 each from Greymac Properties Inc. and paid a \$4,000,000 cash dividend to Greymac Credit Corporation.
- On March 12, 1982, the corporation paid a \$500,000 cash dividend to its parent, Greymac Credit Corporation and was repaid the \$500,000 due from that corporation at year end.

13. Reclassification of comparative figures

Certain 1980 comparative figures have been reclassified to conform with the accounting presentation adopted in 1981.



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

Clarkson Gordon

Chartered Accountants

P.O. Box 251 Toronto-Dominion Centre Toronto, Canada M5K 1J7 (416) 864-1234

AUDITORS' REPORT

To the Shareholder of Greymac Properties Inc. (formerly 447276 Ontario Limited):

We have examined the consolidated balance sheet of Greymac Properties Inc. as at December 31, 1981 and the consolidated statements of loss and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the change in accounting for revenue-producing properties as described in note 2(b), on a basis consistent with that of the preceding period.

The financial statements for the preceding period were examined by other Chartered Accountants.

Toronto, Canada, February 5, 1982 (February 22, 1982 with respect to note 12) Clarkson Gordon

Chartered Accountants

GREYMAC PF (formerly 4472) (Incorporated unde

CONSOLIDATE

(with comparative fig

ASSETS

	1981	1980
Revenue-producing properties (note 3)	\$ 8,860,000	\$13,433,821
Land held for future development	1,036,943 9,896,943	233,286 13,667,107
Investment in BB & E Corporation (note 4)	5 95,238	595,238
Investment in joint venture (note 5)	5,455,788	-
Mortgages (note 10)	1,000,000	-
Other assets (note 6)	1,672,449	496,193

\$18,620,418 \$14,758,538

On behalf of the Board:

Director

Director

(See acc

ROPERTIES INC.
76 Ontario Limited)
at the laws of Ontario)

ED BALANCE SHEET

ER 31, 1981 ures at December 31, 1980)

LIABILITIES AND SHAREHOLDER'S EQUITY

	1981	1980
Mortgages payable on revenue-producing properties (note 7)	\$ 6,094,237 /	\$ 6,016,638
Mortgages payable on land held for future development	6,094,237	180,413 6,197,051
Advances from affiliated corporations (note 8)	7,853,615	7,407,209
Accounts payable and accrued liabilities	413,841	123,914 7,531,123
Shareholder's equity: Share capital (note 9) Deficit Excess of appraised value of revenue-producing	1,100,001 (455,566)	1,100,001 (69,637
properties over depreciated cost (note 2(b))	3,614,290 ,\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	1,030,364
	\$18,620,418	\$14,758,538

apanying notes)

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

YEAR ENDED DECEMBER 31, 1981

(with comparative figures for the seven-month period ended December 31, 1980) (note 1)

		1981	1980 (7 months)
Operating revenues: Rental income Sundry		,041,485 130,740 ,172,225	\$443,454 443,454
Operating expenses: Interest Realty taxes and insurance Management fees Depreciation Repairs and maintenance Administrative Bad debts Professional fees		,923,301 468,292 397,590 376,345 218,801 265,435 66,908 62,714	121,551 97,271 18,994 81,484 85,406 88,287 11,948 8,150 513,091
Operating loss	.2	2,607,161	69,637
Gain on sale of revenue-producing properties (note 10)	1 2	2,221,232	
Net loss for the year		385,929.	69,637
Deficit, beginning of period		69,637	
Deficit, end of period	\$:	455,566	\$ 69,637

(See accompanying notes)

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1981 (note 1)

Sources of cash: Sale price of revenue-producing properties Less - mortgages assumed by purchasers - mortgages taken back Mortgage loans obtained on revenue-producing properties Increase in accounts payable and accrued liabilities Increase in advances from affiliated companies	6,009,000 1,000,000	\$29,254,250 7,009,000 22,245,250 6,086,599 289,927 446,406 29,068,182
Applications of cash: Operations - Net loss for the year Add (deduct): Depreciation which does not involve cash Gain on sale of properties included in sale price above		385,929 (376,345) 2,221,232
Purchase of revenue-producing properties Purchase of land held for future development Investment in joint venture Increase in other assets Repayment of mortgage on land held for future development		2,230,816 19,290,185 734,724 5,455,788 1,158,747 180,413 29,050,673
Increase in cash during the year		\$ 17,509

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. Comparative financial statements

The corporation commenced operations in April, 1980 and, accordingly, the comparative statement of loss and deficit covers a seven-month period only. A comparative statement of changes in financial position is not presented in that such a statement for the seven-month period was not prepared.

Certain amounts in the 1980 comparative financial statements have been reclassified from amounts previously reported to conform with the accounting presentation adopted in 1981.

2. Summary of significant accounting policies

- (a) Principles of consolidation The accompanying consolidated financial statements include the accounts of the corporation and its wholly-owned subsidiary, 484364 Ontario Limited.
- (b) Revenue-producing properties -

In 1980, revenue-producing properties were carried at cost less accumulated depreciation. At December 31, 1981 the corporation increased the carrying value of its remaining properties to an amount which is not greater than the market value established by accredited appraisers as at that date, with the excess of such value over depreciated cost included in shareholder's equity.

Depreciation on buildings in 1980 and 1981 was provided at 2 1/2% of cost per annum on a straight-line basis.

- (c) Land held for future development The land is recorded at cost plus related architects' fees.
- (d) Other investments -

The investment in BB & E Corporation is carried at cost. The investment in the joint venture is carried on the equity basis of accounting.

3. Revenue-producing properties

	1981	1980
Buildings Less accumulated depreciation	\$4,100,993 <u>145,950</u> 3,955,043	\$ 9,988,957 81,484 9,907,473
Land	4,904,957	3,526,348
	\$ <u>8,860,000</u>	\$ <u>13,433,821</u>

For income tax purposes, the cost of land and building is approximately \$5.246.000.

4. Investment in BB & E Corporation

9% Subordinated debenture in the principal amount
of U.S. \$400,000, due November 30, 1985,
non-interest bearing through November 30, 1982
and thereafter bearing interest at 9% to maturity
1,000 common shares (approximately 5.6% of total
outstanding)

\$476,190

\$119,048 ✓
\$595,238

5. Investment in joint venture

During 1981, the corporation entered into a joint venture agreement with 40 Delaware East Joint Venture to provide all the financing necessary for the purchase and conversion to condominium units of the Maryland Hotel in Chicago, Illinois. Under the agreement, the corporation is to receive interest (see note 6) on its investment at the Canadian bank

prime rate plus 3 1/2% and holds a 50% equity interest in the joint venture's operations. The investment is secured by mortgages registered against the property. Conversion to condominium units is expected to be completed in mid-1982 with additional financing required estimated to be \$4,000,000. The ultimate realization of this investment is dependent upon the successful marketing of the condominium units.

The joint venture's financial position at December 31, 1981 is summarized below. The corporation is jointly and severally liable for the joint venture's liabilities.

40 Delaware East Joint Venture

Unaudited Balance Sheet (in U.S. dollars)

Assets		Liabilities and Defi	cit
Cash	\$ 24,162	Mortgage payable to Greymac Properties Inc.	\$4,559,287
Land and building Renovation expenditures	2,204,190 2,169,623	Deficit	(140,164)
expenditutes	4,373,813		
Other	21,148		\$4,419,123
	\$4,419,123		

In January, 1982, Greymac Trust Company (formerly Macdonald-Cartier

Trust Company), an affiliate, agreed with the corporation to participate
in the financing of this joint venture through acquisition, at cost, of
\$2,800,000 of the corporation's investment.

6. Other assets

	1981	1980
Cash Amounts receivable Rent receivable	\$ 17,509 528,925 47,755	- \$ 21,087
Interest receivable from 40 Delaware East Joint Venture Other receivables Mortgage security deposits	536,781 269,226 235,000	75,106 400,000
Equipment, less accumulated depreciation	37,253 \$1,672,449	\$496,193
7. Mortgages payable on revenue-producing pro		Section Control Contro
	1981	1980
Victoria and Grey Trust Company, interest at the greater of Bank of Montreal prime rate plus 2% or the Victoria and Grey Trust Company five-year guaranteed investment certificate rate plus 2%, due December 1, 1986		\$2,100,000 ^
International Trust Company, interest at t bank prime rate plus 2%, due June 1, 198	the 3,500,000	-
Greymac Mortgage Corporation, parent corporation, interest at 12%, due September 30, 1983	446,237 \	-
Central Trust Company	oun	1,168,962
Greymac Mortgage Corporation as trustee for participants	- -	2,598,992
Greymac Credit Corporation	-	148,684
Other	48,000	
	\$ <u>6,094,237</u>	\$ <u>6,016,638</u>

Principal repayments on the mortgages are due as follows:

1982 1983	\$3,500,000 494,237
	Nil
1984	Nil
1985	2,100,000
1986	2,200,000
	\$ <u>6,094,237</u>

In January, 1982, the International Trust Company mortgage was discharged.

Advances from affiliated corporations

Advances from affiliated Corporations	1981	1980
Greymac Mortgage Corporation, parent (unsecured, due on demand, and bearing interest at the parent's debenture rate)	\$7,547,974	\$7,407,209
Greymac Credit Corporation, affiliate (unsecured, due on demand, and non-interest bearing)	305,641 \$7,853,615	\$ <u>7,407,209</u>

During the year, the corporation incurred fees for management services rendered by its parent company totalling \$300,000 (1980 - mil) and interest of \$1,962,000 on advances from that corporation (1980 - mil).

Share capital 9.

Authorized and issued share capital at December 31, 1981 and 1980 was as follows:

Authorized:

50,000 non-cumulative, voting Class "A" preference shares, par value of \$1 each 50,000 non-cumulative, non-voting, Class "B" preference shares, par value of \$1 each

50,000 non-cumulative, voting, Class "C" preference shares, par value \$1 each 50,000 common shares, without par value

Issued:

11,001 common shares

\$1,100,001

10. Gain on sale of revenue-producing properties

During 1981, the corporation sold revenue-producing properties for \$29,254,250 resulting in a gain of \$2,221,232. As partial consideration, the corporation received cash of \$22,245,250 and took back mortgages on the properties totalling \$1,000,000 which mature in December, 1984. The balance of the purchase price was satisfied through the assumption by the purchaser of existing nortgages and related accrued interest totalling \$6,009,000. Subsequently, the corporation's parent, Greymac Mortgage Corporation, purchased mortgages on these properties at a cost of \$15,778,000.

11. Income taxes

At December 31, 1981, the corporation had accumulated losses of approximately \$455,000 which may be carried forward to reduce future years' taxable income. The potential tax benefits associated with these losses have not been recorded in the company's accounts. Of the total losses, \$163,000 is represented by unclaimed capital cost allowance which may be carried forward indefinitely. The remaining \$292,000 expires as follows:

1985 - \$284,000 1986 - 8,000 \$292,000

12. Subsequent event

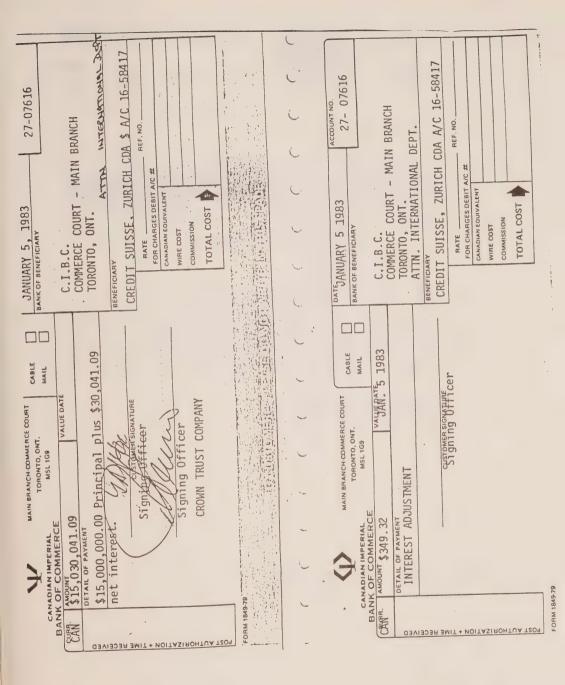
On February 22, 1982, the corporation paid a stock dividend of 3,014 common shares at \$1,000 each to Greymac Mortgage Corporation.

13. Remuneration of officers and directors

No remuneration was paid to officers or directors in 1981 or 1980.

Telex, deposit receipts, etc. re Branco Weiss deposit of \$15 million with Crown Trust December 30, 1982





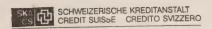
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GA JAN 6/83 CREDIT SUISSE

CONFIRM ADDITIONAL INTEREST PAID OF 410.97 DLRS LESS. 15 PERCENT WITHHOLDING TAX OF 61.65 DLRS. NET AMOUNT 349.32 DLRS CREDITED TO YOUR ACCT AT CANADIAN IMPERIAL BANK OF COMMERCE, MAIN BRANCH, TORONTO ACCT 16-58417. EFFECTIVE JAN 5, 1983 :

IAN ADLER CROWN TRUST CO TOR 812244B CS CH CROWNTRUST TOR



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CAPITAL AND INTEREST CANADIAN IMPERIAL BANK OF CDN-TORONTO ON M5L 1A2 ACCOUNT NR. 956852-14-000

Contr. ★ E L

Mit freundlichen Grüssen Vos dévoués Con distinte stima Yours very truly SCHWEIZERISCHE KREDITANSTALT CREDIT SUISSE CREDITO SVIZZERO

NT: 7701-830103-37-21516

FORM WITHOUT SIGNATURE

0909515 1006 050183 INTLX TOR CA + CROWNTRUST TOR

PTS 45812244+ 812244A CS CH+ CROWNTRUST TOR

GA JAN 5/83 ATTENTION OF MR VORNWALD

CONFIRM YOUR DEPOSIT OF 15,000,000 CAN. DOLLARS OF DEC 30, 1982 REPAID TODAY'S DATE JAN. 5, 1983. CREDIT TO YOUR CAN. DOLLAR ACCOUNT AT CANADIAN IMPERIAL BANK OF COMMERCE, MAIN BRANCH, COMMERCE COURT, TORONTO, ACCOUNT 16-58417.

PAYMENT INCLUDES INTEREST OF 35,342,45 DOLLARS LESS 15 PERCENT WITHHOLDING TAX OF 5,301.36 DOLLARS. INTEREST CALCULATED AT CIBC PRIME PLUS 2 PERCENT. PRIME WAS 12 1/2 PERCENT DEC. 30 TO JAN. 3. 4 DAYS AND 12 PERCENT FROM JAN. 3 TO JAN. 5. 2 DAYS.

FROM
GEORGE LYN
CROWN TRUST COMPANY
TORONTO, ONTARIO
*
812244A CS CH

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CROWNTRUST TOR

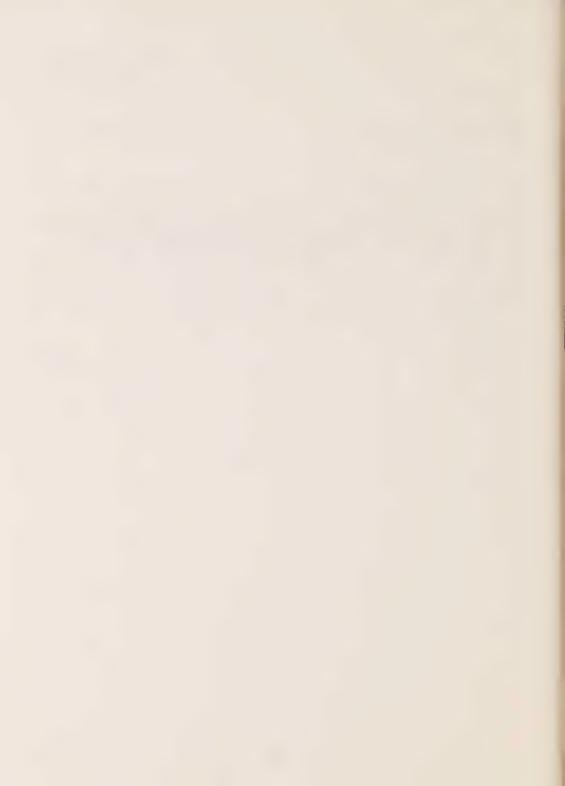
812244A CS CH FROM CREDIT SUISSE ZURICH TO CROWN TRUST TORONTO

ATTENTION MR GEORGE LYN

WE CONFIRM OUR TELEPHONE CONVERSATION
WE PLACE WITH YOU CAN DOLLARS 15.000.000.-- AT 14 1/2 PERCENT
WE PLACE WITH YOU CAN DOLLARS 15.000.000.-- AT 14 1/2 PERCENT
FROM 30.12.82 TILL 5.1.83 THE FUNDS WILL BE PAID FOR YOUR ACCOUNT
TO CIBC MAIN BRANCH, COMMERCE COURT TORONTO, ACCOUNT NR 2707616
TO CIBC MAIN BRANCH, COMMERCE COURT TORONTO, ACCOUNT OF CAPITAL PLUS INTEREST ACCRUED TO CIBC TORONTO
FOR THE ACCOUNT OF CREDIT SUISSE ZURICH
THANK YOU
VORNWALD

CROWNTRUST TOR

812244A CS CHV



List of prospective purchasers of Cadillac Fairview Properties made by Rudi Braun and Murray Warsh



PROSPECTIVE PUBCHASERS - RUDI BRAUN

Greymac Trust - Mr. L. Rosenberg

Kaneff - Mr. I. Kaneff

C.W. Yonge (Hong Kong) - Mr. Chuck Adler Q.C.

Choy Wai Bor " - Mr. Ruchard Cheung

Hilliam Player

PROSPECTIVE PURCHASERS - MURRAY WARSH

Leonard Blatt, together with syndicate members, i.e. Donald Cowie.



Particulars of Cadillac Fairview's sales of apartment buildings before and after November 1982 (including the Cadillac Fairview transaction)



ALL FINANCIAL DATA IS AT CF SHARE:

ALL FINANCIAL DID AS A COMMENTAL	SAL	CABILLAC ES OF APARTNEI (I	SALES OF APARTHENT BUILDINGS AT FEBRUARY 15, 1983. (Dollars In \$000's) Bayview Materate Seigniory Con	AND HOUSING FEBRUARY 15, 51s) Seigniory	1983 Woodview Court	Chequer	Plaza 100	Greymac Sale
CF Share Total No. of Suites - 100% Closing bate	100% 72 Aug. 31/82	100% 310 Aug. 15/82	100% 289 Aug. 31/82	100% 199 Aug. 31/82	100% 59 Sept.1/82	100% 481 0ct. 29/82	100% 412 0ct. 1/82	100% 10,931 Nov. 5/82
Terms of Sale: Gross Sciling Price Liabilities Assumed Vendor Take-Back Closing Costs Cash on Closing	\$1,650 422 899 83 \$3 \$ 246	\$7,171 2,969 2,746 302 \$1,154	\$6,647 4,954 4,954 \$1,553	\$4,577 2,598 801 97 \$1,081	\$ 964 704 47 47	\$13,000 4,385 5,998 490 \$ 2,127	\$11,000 5,557 3,227 420 420	\$270,000 1) 120,200 1) 107,152 107,152 \$ 32,512
Actual Discounted Selling Price: 2) - Total - Per Suite	\$1,476	\$7,320 \$23.6	\$6,636	\$4,582	\$ 988	\$13,109	\$11,053	\$270,000
Purchaser's Yield on Net Cash Equiv.;3) Net Cash Flow Return	3) \$61 5.8%	\$290	\$649 9.8%	\$74	\$73 7.4%	\$480	\$308	\$9,461
Terms of V.T.B. - Rate - Term (Years) - Early Repayments	8% - 15%	20% 5 \$1,373 in Nov./82	20% 2 Nov./82	20% 6 Months 0ct./82	28%	Prime + 1%	Prime + 1%	Prime + 1/2%

1) Includes \$4.5 million of pre-paid rent liabilities assumed by Purchaser.

2) Actual Discounted Selling Price reflects any prepayments of vendor takebacks to date. 3) Net cash equivalent is the discounted selling price less the liabilities assumed by th

Net cash equivalent is the discounted selling price less the liabilities assumed by the Purchaser.

CADILLAC FAIRVIEW LAND AND HOUSING

	SAL	LES OF APARTM	SALES OF APARTMENT BUILDINGS AT FEBRUARY 15, 1983 (Dollars In \$0000's)	r February 15,	1983			
	One Hundred Bay South	Carolyn	4000 Youge	Park Willow	Bayview	Bayview Mills	Keelegate	Village Green
CF Share	%05	20%	%05	06 2/3%	70%	80%	20%	20%
Total No. Of Suites - 100%	176	132	308	497				
Closing Date	Nov.10/82	Mar.3/83	Mar.3/83	Mar,3/83				
Terms of Sale:								
- Gross Scilling Prive - Liabilitzes Assumed - Vendor Take-Back - Closing Costs	\$1,950 520 894 156	\$1,300	\$4,323 2,236 1,449 169	\$7,731 2,545 4,036 298				
Cash on Closing	\$ 380	\$1,159	\$ 469	\$ 852				
Actual Discounted Selling Price: 1)			The state of the s					
- Total	\$1,829	\$1,300	\$4,323	\$7,731				
- Per Suite	\$20.8	\$19.6	\$28.1	\$23.4				
Purchaser's Yield on Net Cash Equiv; 2)						٥		
- Net Cash Flow	\$57	\$60	\$166	\$375				
- Return	4.4%	80.5	8.0%	7.2%				
Terms Of V.T.B:								
- Rate	12.5%	ı	Prime + 1/2% Prime + 1/2%	Prime + 1/2%				
- Term (Years)	5	1	5	5				
- Early Repayments								

1) Actual Discounted Selling Price reflects any prepayments of vendor takebacks to date.

Net cash equivalent is the discounted selling price less the liabilities assumed by the Purchaser. 2)

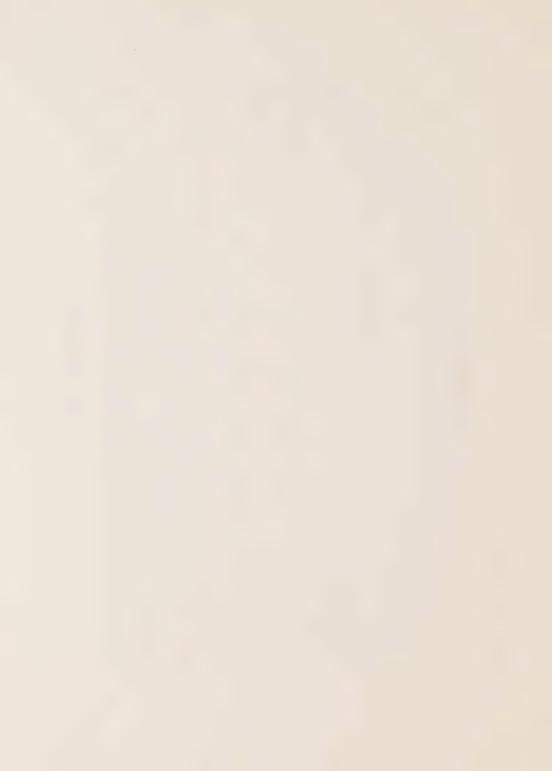
	200	24
	(王)	*
2.5	22	*
	<	3%
3.5	222	*
131	S	3/4
d's		坎
23	(1	2%
200	0	水
200		1/4
22	-	3/2
2%	4	3,10
215		300
1/2	S	200
25	-	2/,0
3%		*
2/4	<	**
3,5	(-	374
**	4	*
25	0	25
35		77
2:	-	27.5
2.5	<	3,7
20	-	200
24	0	7/4
20	7	2,5
2.5	<	2%
2%	7.	1,4
21	jest	1 7/4
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以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以以	SALL FINANCIAL DATA IS AT CF SHARES	[2]] · · · · · · · · · · · · · · · · · ·
20	-	1 2%
	<	2.33
20		572

\$370,313	\$330,347
141,526	\$24.8
112,860	\$12,054
112,860	6.4%
COOP SETSOTO	Actual Discounted Selling Price: 1) - Total - Per Suite - Purchaser's Yield on Net Cash Equiv.: 2) - Net Cash Flow

Actual Discounted Selling Price reflects any prepayments of vendor takebacks to date.
 Net cash equivalent is the discounted selling price less the liabilities assumed by the

Early Repayments

Net cash equivalent is the discounted selling price less the liabilities assumed by the Purchaser.



Agreement of Purchase and Sale between Greymac Credit and Cadillac Fairview dated as of August 24, 1982



BETWEEN:

GREYMAC CREDIT CORPORATION
hereinafter called the "Purchasel"
OF THE FIRST PART:

- and -

THE CADILLAC FAIRVIEW CORPORATION

hereinafter called the "Vendor"
OF THE SECOND PART

WITNESSETH THAT:

IN CONSIDERATION of the mutual covenants and agreements herein contained and for other good and valuable consideration:

ARTICLE I

DEFINITIONS

- 1.01 IN THIS AGREEMENT, the following words or phrases shall have the following meanings:
 - (a) "Acceptance Date" means the date on which this Agreement of Purchase and Sale is fully executed by the Vendor and the Purchaser;
 - (b) "Adjustments" means without restricting the generality thereof, taxes, local improvement charges, rates, liens or levies, water and sewer rates and charges, rentals and recoveries, rental deposits, utility deposits, employment

- and service contracts, utilities, fuel, mortgage , interest, maintenance supplies and all other matters usually adjusted in similar transactions;
- (c) "Authority" means any governmental authority, body, agency, department, whether federal, provincial or municipal, and any board of fire underwriters having or claiming jurisdiction over the Property;
- (d) "Building" mean the existing apartment buildings as set out in Schedule "A" hereto, including the heating, air conditioning, plumbing, electrical, elevators, ventilating, boilers, compressors, transformers, drainage and other mechanical systems and equipment comprising part thereof and other improvements owned by the Vendor presently erected in or upon the Lands, and the Buildings shall mean each and every Eurlding set out in Schedule "A" hereto:
- (e) "Chattels" means the chattels and equipment and other tangible personal property located in each building and owned and used by the Vendor in its operation and maintenance of the Property, including refrigerators, stoves, existing storms and screens, broadloom where laid and owned by the Vendor and any washing machines and dryers located in the laundry room;
- (f) "Chattel Mortgage" means the chattel mortgage, if any, given as collateral security to the mortgagee in respect of the First Mortgage.
- (g) "Closing" or "Closing Date" means the 16th day of November, 1982 or such earlier or later date as may be agreed to in writing by the parties or their respective solicitors:

- (h) "First Mortgage" means the first mortgage with respect to each Building as set out for such Building in Schedule "A" hereto:
- (i) "Lands" means the parcels of land more particularly described in the legal description annexed to this Agreement as Schedule "A", together with all easements, rights-of-way, privileges and appurtenances belonging to and enuring to the benefit thereof;
- (j) "Leases" means the leases to the Tenants, including all commercial leases;
 - (k) "Permitted Encumbrances" means:
 - (i) the First Mortgage and any assignment of Leases collaterally securing the repayment thereof;
 - (ii) the Chattel Mortgage, if any;
 - (iii) the Leases;
 - (iv) the agreements, if any, with adjoining property owners to share costs of common facilities, if any;
 - (v) those agreements, if any, which are set out in Schedule "A" attached hereto; and
 - (vi) existing easements, rights of way and appurtenances.
 - (1) "Property" means collectively the Chattels, the Buildings and the Lands;

- (m) "Tenants" means the tenants and occupants of the Property;
- (n) "Systems" means the roof, supports, bearing walls, floors, foundations, garbage disposal and fire protection systems, mechanical and electrical systems owned by the Vendor and used by it in its operation and maintenance of the Buildings, including, without limitation, elevators and the heating, boiler, ventilating, air conditioning, electrical, sprinkler, drainings and plumbing systems;
- (o) "Service Contracts" means any services, superintendents, maintenance, laundry, cable T.V., elevators or any other contracts affecting the Property;
- (p) "Land Leases" means any leases pursuant to which the Vendor has possession of the Lands comprising part of the Property.

ARTICLE II PURCHASE OF PROPERTY

- 2.01 The Purchaser agrees to purchase and the Vendor agrees to sell the Property for a Purchase Prize in lawful money of Canada of TWO HUNDRED AND SEVENTY MILLION (\$270,000,000,000) DOLLARS payable as follows:
 - (a) A deposit in the sum of TEN MILLION DOLLARS

 (\$10,000,000.00), by way of a Letter of Credit drawn on Greymac Mortgage Corporation, in form attached hereto as Schedule "B". In the event of non-completion of this transaction due to the default of the Vendor hereunder, the Letter of Credit shall be forthwith returned to the Purchaser;

- (b) By the assumption of the principal and interest outstanding under the First Mortgage as at the Closing Date:
- (c) By the Vendor taking back and the Purchaser giving back a second mortgage upon each of the Buildings in an amount as set out in Schedule "C" attached hereto. Each second mortgage shall contain the following provisions:
 - (i) Interest shall be at the rate of interest equivalent to the prime rate of interest quoted as being charged by The Toronto-Dominion Bank for Canadian Dollar loans to its most favoured commercial borrowers in Toronto plus one-half of one percent calculated and payable monthly. Such interest rate shall be adjusted on the first day of each month based on the aforesaid prime rate in effect on that date and such adjusted interest rate shall be applied throughout said month, and without the necessity of any notice of such change to the mortgagor;
 - (ii) the term shall be for six (6) years from the Closing Date;
 - (iii) provided that this mortgage is not in default, upon
 the maturity of the existing prior mortgage of the
 lands mortgaged herein, the mortgagee, at the
 expense of the mortgagor, shall execute and deliver
 an agreement to postpone the within mortgage to a
 replacement first mortgage of an amount equal to the
 principal balance outstanding under such prior
 mortgage as at its maturity, provided that firstly,
 the monthly installment of principal and interest
 payable under such replacement first mortgage does

not exceed an amount equivalent to seventy percent (70%) of the cash flow net of expenses in the immediately proceeding twelve (12) month period arising from the Lands mortgaged herein prior to any payment on account of principal and interest of any mortgage or encumbrance of the within Lands and secondly, any principal balance of such replacement first mortgage which exceeds the principal balance of the prior mortgage outstanding on its maturity date, shall be applied to reduce this mortgage back in this transaction.

- (iv) the mortgagor shall have the privilege of prepaying the whole or any part of the principal sum outstanding, without notice or bonus.
- (d) By the payment of the sum of FORTY MILLION FIVE HUNDRED THOUSAND DOLLARS (\$40,500,000.00) by certified cheque on Closing, and the Vendor shall return to the Purchaser the Letter of Credit on Closing;
- (e) All Adjustments on closing will be reflected in the amount of the Second Mortgage hereinbefore set forth and not on the monies payable on closing.

ARTICLE III

PURCHASER'S EXAMINATION

- 3.01 The Vendor covenants and agrees to deliver to the Purchaser within five (5) days following the Acceptance Date:
 - (a) a current rent roll prepared of all of the Leases prepared by the Vendor at the Vendor's offices during normal business hours;

- 7 - 7

- (b) Authorizations to each Authority permitting such
 Authority to advise the Purchaser of any work orders
 and/or deficiency notices outstanding or pending with
 respect to the Property over which such Authority has
 jurisdiction and any other information related to zoning,
 building, planning and other municipal or other
 governmental matters, but not authorizing any inspection
 of the Property;
- (c) Such surveys of the Lands and Buildings as the Vendor has in its control and possession;
- (d) copies of all Land Leases and Commercial Leases; and
- (e) Copies of Financial Statement of Operations pertaining to the Property for the year end February 28, 1982.
- 3.02 The Vendor agrees to allow the Purchaser and the Purchaser's authorized representatives access to:
 - (a) the Property from time to time upon reasonable prior notice to the Vendor during business hours for the fifteen (15) days next following the Acceptance Date and to carry out at the sole expense and risk of the Purchaser such reasonable tests and inspections as the Purchaser or its authorized representatives may deem necessary so long as the Tenants are not disturbed thereby and so long as the Purchaser makes good any damage occasioned thereby;
 - (b) the proof of out-of-pocket expenses paid to third parties including tax bills, utilities charges, oil and gas and to take copies of all relevant information relating thereto during the business hours for the fifteen (15) days next following the Acceptance Date; and

- (c) Whatever evidence the Vendor has with respect to the buildings listed in Schedule "D" hereto being classified as Section 31 assets pursuant to the regulations of the Income Tax Act and classified as Murbs. The Vendor agrees to use its best efforts to acquire such evidence within fifteen (15) days of the Acceptance Date, provided that the Vendor by so doing does not jeapordize the Vendor's position as it may in its sole discretion determine.
- 3.03 (i) If the Purchaser shall notify the Vendor within the period of sixteen (16) days next following the Acceptance Date that:
 - (a) the Purchaser does not approve the Leases or Land Leases or the state of repair of the Brillings or
 - (b) the Purchaser is not satisfied with its examination of the proof of out-of-pocket expenses; or
 - (c) the Purchaser is not satisfied with the Statement of Financial Operations pertaining to the Property as delivered pursuant to paragraph 3.31(e) hereof; or
 - (d) the Purchaser is not satisfied with the evidence regarding Murbs as per paragraph 2.02(c) hereof; or
 - (e) a substantial number of buildings comprising the Property or the existing uses thereof does not comply with all relevant by-laws, orders, regulations or statutes of any municipal or other governmental authority or are not legal non-conforming uses;

then this Agreement shall, with the delivery of such notice, be at an end and the Letter of Credit shall be immediately returned to

the Purchaser and neither party shall have any further rights or obligations hereunder. If, however, the Purchaser does not give any written notice to the Vendor pursuant to this Article 3.03 within such period then the Purchaser shall, subject to the warranty as hereinafter in Article 4.02 provided, be deemed to be satisfied with respect to the aforesaid matters and the transaction of purchase and sale shall be completed as herein provided.

3.04 For the purpose of this Agreement the term "business day" shall mean all days from and including Monday through and including Friday, provided that should a Statutory Holiday fall on any such business day, it is not a business day for the purposes hereof.

ARTICLE IV WARRANTIES AND REPRESENTATIONS

- 4.01 The Vendor warrants and represents:
 - (a) That it is not aware of any material work orders outstanding or pending by any Authority which the Vendor is not complying with or has not complied with. If there are any work orders outstanding or pending by any Authority of which the Vendor is not aware, the Vendor shall comply with same prior to the Closing Date. In the event that any work order is issued by any Authority between the date hereof and the Closing Date, the Vendor shall be responsible for complying with such work order provided that the cost to the Vendor of such compliance does not exceed FIVE MILLION DOLLARS (\$5,000,000.00). (The cost of compliance shall herein be referred to as "Work Order Compliance Cost"). In the event that the Work Order Compliance Cost exceeds Five Million Dollars (\$5,000,000.00) the Vendor shall be responsible for the payment of the first Fire Million Dollars (\$5,000,000.00)

thus incurred and the Purchaser shall be responsible for any sum in excess of Five Million Dollars (\$5,000,000.00). The Vendor shall commence compliance with any work order issued by any Authority between the date hereof and the Closing Date within sixty (60) days of receipt of the notice of such work order and to proceed expeditiously to comply with such work order. In the event that the Vendor does not commence to comply with such work order within the said 60 day period or in the event that it is not proceeding expeditiously to comply with such work order, the Purchaser shall give notice in writing to the Vencor that it is in default of its obligations hereunder and if such default shall continue for five (5) business days from receipt of the notice to the Vendor, the Purchaser shall be entitled to comply with such work orders as are set forth in the notice of default to the Vendor and upon completion thereof, the Purchaser shall deliver a receipt for payment with respect to complying with the work order whereupon the Vendor shall forthwith reimburse the Purchaser for the aforesaid cost up to the aforesaid limit of Five Million Dollar (\$5,000,000.00).

- (b) That the Property or the existing use thereof does comply with any relevant by-law, orders, regulations or statutes of any Authority or is a legal non-conforming use.
- (c) It shall operate and manage the Property to Closing in the same manner as the Property has been managed to the date hereof;
- (d) At Closing, the First Mortgage shall be in good standing and all monthly mortgage payments required to be made thereunder to such date shall be paid;

- (e) The Vendor has good title, power, and absolute authority to convey the Property to the Purchaser on Closing in accordance with the intention of this Agreement free and clear of all encumbrances save for the Permitted Encumbrances;
- (f) At the Closing Date, the Vendor will not be a non-resident of Canada for the purposes of The Income Tax Act, or in the alternative, if the Vendor or any person for whom the Vendor may hold all or part of the Property in trust, is a non-resident of Canada, the Vendor shall deliver a Certificate pursuant to the provisions of Section 116 of the Income Tax Act of Canada that all taxes exigible upon the sale of the Property will be paid or otherwise provided for;
- (g) At Closing, the Leases and Chattels shall not have been assigned or otherwise encumbered save as further or collateral security to the First Mortgage;
- (h) The Leases are and shall be on Closing valid and subsisting and constitute the entire and only agreements between the Vendor, as landlord, and the Tenants;
- (i) No Tenant is or shall be entitled to any concession, rebate, allowance or rent-free period after Closing with respect to the occupancy of its premises other than as stipulated in its Lease and that the residential rent rolls as shown on the rent rolls produced by the Vendor to the Purchaser, are legally chargeable under the provisions of the applicable rent review legislation;
- (j) That the Vendor is and shall be on Closing in good standing under the applicable Land Leases;

- (k) No Tenant or any other person has or will have at Closing any right of first refusal or option to purchase the Property or any part thereof;
- (1) That the number of suites sold to the Purchaser pursuant to the terms hereof and included in the Property is 10,931, and that the rent rolls and the Statement of Financial Operations pertaining to the Property as delivered pursuant to Paragraph 3.01(e) hereof are presented fairly in accordance with generally accepted accounting principles;
- (m) That there shall not be outstanding against the Property as at Closing Date any capital levies, sewer, impost fees, special assessments of a capital nature or any other similar charges.
- 4.02 The Vendor represents and warrants, which representations shall survive the closing of this transaction for a period of six (6) months, that the Systems, as at the Closing Date, are in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred. In the event that within six (f) months of the Closing Date the Purchaser shall deliver to the Vendor a report in writing from an independent Consulting Engineer, amployed by the Purchaser, indicating that such building is not in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, and defining the nature of the lack of repair as aforesaid and setting out an estimate of the cost to bring such Systems into a good state of repair subject to normal wear and tear Dearing in mind the age of the building provided that reasonable maintenance has occurred, (hereinafter called "the Work") the Venice, if it accepts such report, shall within ten (10) business days notify the Purchaser in writing that it will cause the required Work to be undertaken at

its expense or the Vendor will pay the Purchaser the amount estimated for such Work. In the event the Vendor does not give such notice the Purchaser shall be entitled to complete the Work and upon the completion thereof to deliver a receipt for payment of the Work and the Vendor shall thereupon forthwith reimburse the Purchaser for the cost of the Work. In the event that the Venior does not accept the aforesaid report, it shall notify the Parchaser in writing within ten (10) business days of receipt of the report that the Vendor is retaining another independent Consulting Engineer to supply a report as to whether the Systems which are the subject matter of the report in dispute are in a good state of The repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred (and the Purchaser agrees to permit such professional engineer to have all necessary access to such building in order to supply such report). In the event that the report from the Vendor's Consulting Engineer shall indicate a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, the question of whether the Systems which is the subject matter of the report is in good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred shall be referred to arbitration pursuant to the Arbitration Act, R.S.O. 1980. Each party shall nominate one arbitrator and the two nominated arbitrators shall appoint the third arbitrator. In the event that there is any report as aforesaid or any arbitration decision that the Systems as at the Closing Date are not in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred the Purchaser agrees that the Vendor's liability hereunis; shall in no event exceed Five Million Dollars (\$5,000,000.00) in the aggregate less the amount of any Work Order Compliance Cost, and any amount due hereunder cannot be off set from the amount of the payment due the Vendor under the second mortgage taken back on the closing herein.

- 14 - (_)

ARTICLE V

VENDOR'S CLOSING DOCUMENTS

- 5.01 The Vendor covenants and agrees to deliver the following to the Purchaser on or before Closing:
 - (a) A registrable deed conveying title to the Lands and Buildings if the Vendor's interest therein is Freehold and an Assignment of Lease if the Vendor's interest is a leasehold interest, together with the Landlord's consent, if necessary, to such assignment;
 - (b) A registrable Bill of Sale conveying title to the Chattels to the Purchaser;
 - (c) Evidence of compliance with the Bulk Sales Act of Ontario;
 - (d) A general assignment of the Leases to the Purchaser:
 - (e) Directions advising the Tenants of the sale of the Property and directing and authorizing them to pay their rent to the Purchaser or as the Purchaser otherwise directs from and after Closing:
 - (f) The originally signed Leases or photocopies where the original Leases are not available;
 - (g) A Mortgage Statement confirming that the First Mortgage, is in good standing;
 - (h) A Statutory Declaration of a officer of the Vendor having knowledge of the facts declared, wherein he declares as to the Vendor's possession and use of the Property to Closing;

- (i) A Statutory Declaration of a officer of the Vendor having personal knowledge of the facts declared, wherein he declares that the Vendor is the beneficial owner of the Property and is not a non-resident of Canada within the meaning and intended purpose of Section 116 of the Income Tax Act (Canada) or in the alternative, a Certificate issued under Section 116 of the Income Tax Act confirming that all taxes exigible upon this sale have been paid or otherwise provided for;
- (j) Evidence satisfactory to the Purchaser that all realty taxes not provided for in the Adjustments have been or will be paid to the Date of Closing;
- (k) An assignment of all outstanding guarantees, warranties, and indemnities relative to the Building or the Property in possession of the Vendor, if any.
- (1) Master keys;
- (m) Copies of Land Leases;
- (n) Written consent from Head Lessors pursuant to Land Lesses which require such consent to this sale transaction;
- (o) As-built architectural drawings that are in the Vendor's possession;
- (p) Written ackowledgment from commercial Tenants as to the status of Leases, in form acceptable to the Purchaser, or statutory declarations in the event that a Tenant has not executed an acknowledgment;

- (q) The shares in University City Retreation Centre Limited owned by the Vendor endorsed and assigned over to the Purchaser.
- 5.02 All documents to be executed and delivered by the Vendor to the Purchaser on Closing shall be in form and substance satisfactory to the Purchaser's solicitors acting reasonably.
- All documents required to be produced by the Vendor at Closing shall be prepared and produced by and at its expense save that the cost of registering any document shall be at the Purchaser's expense. Any tender of money or document pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque certified by a Canadian chartered bank.

ARTICLE VI

CONSENTS

- Leasehold interest only in certain of the lands as indicated in Schedule "A" hereto and that it will acquire such Leasehold interest and not a Freehold interest of such lands, and that it may be necessary under the land lease to obtain the consent of the Landlord to the Assignment of the Vendor's interest. The Purchaser covenants and agrees to supply all information concerning the Purchaser and the proposed registered owner of the lands including the audited financial statement as such landlord may reasonably require, and to execute such agreements as the Landlord may reasonably require including an agreement by which the Purchaser covenants and agrees to observe and perform the covenants contained in such Landlease.
- 6.02 The Purchaser acknowledges that under the terms of the first mortgage for some of the Building, the consent of the first

mortgagee must be first had and obtained before either the mortgage can be assumed and/or the Vendor transfers title. The Purchaser covenants and agrees to supply all reasonable information concerning the Purchaser and the proposed registered owner of the Lands including the audited financial statements as such Landlord may reasonably require, and to execute and deliver such agreements as the Mortgagee may reasonably require including an agreement to assume the mortgage and to observe and perform the covenants contained in such mortgage.

to Clauses 6.01 and 6.02 herein is not available by Closing with respect to any Building, the Closing with respect to such Building shall be postponed for an additional sixty (60) days to enable the Vendor to obtain such consent and the transaction herein shall close with respect to the balance of the Buildings on the Closing Date with the purchase price being abated based on the number of apartment units contained in each Building for which the Closing is being postponed. Should the consent not be obtained by the Closing Date as postponed, the Agreement with respect to such Building shall be terminated and neither Party shall have any further rights or obligations.

Provided however if the consent of the mortgages that is not obtained is with respect to either building described in Schedule "A" as Humber Ridge or Morningstar, the abatement of the Purchase Price shall be calculated on the basis of Twenty Thousand Dollars (\$20,000.00) per apartment unit contained in such building; and after closing, should the consent of such first mortgagee not be obtained within the aforesaid 60 days, the parties hereto agree that the amount of abatement of the Purchase Price to be attributed to such building or buildings shall be determined by arbitration in accordance with the abritration provisions as contained in Clause 4.02 hereof. In the event that the arbitration award is calculated at a price per apartment unit of an amount

(a) less than \$20,000 per unit, the Perchaser shall pay to the Vendor a sum calculated by multiplying the number of units in such building or buildings by the difference between the sum of \$20,000 and the award, which sum shall be paid within ten (10) business days of the award;

or

(b) more than \$20,000 per unit, the Vendor shall pay to the Purchaser a sum calculated by multiplying the number of units in such building or buildings by the difference between the sum of \$20,000 and the award, which sum shall be paid within ten (10) business days of the award.

ARTICLE VII

PURCHASER'S CLOSING DOTUMENTS

- 7.01 The Purchaser covenants and agrees to deliver the following on Closing:
 - (a) Assignment of the land lease for any Leasehold interest being acquired by the Purchaser which assignment shall contain the Purchaser's covenant to observe and perform the covenants and obligations of the Vendor under the land lease being assigned and to indemnify and save the Vendor harmless with respect to such land lease.
 - (b) An agreement to assume the Venitr's obligations with respect to those agreements registered on the title to the lands or those agreements affecting the operation of any Building under which the Venitr has been performing ongoing obligations and which the Vendor has brought to the Purchaser's attention during the fifteen business

days provided for in clause 3.02(a). The Purchaser shall covenant and agree to observe and perform the covenants of the Vendor under such agreements and to indemnify and save the Vendor harmless with respect thereto.

- (c) Such reasonable agreements as may be required by any first mortgagee with respect to any mortgage being assumed by the Purchaser hereunder.
- (d) An agreement to observe and perform the Vendor's covenants under any of the Leases being assigned to the Purchaser and without limiting the generality of the foregoing to observe and perform all the obligations of the Vendor as Landlord with respect to leases of commercial space within the Buildings, and to indemnify and save the Vendor harmless with respect thereto.

ARTICLE VIII

TITLE

- B.01 The Purchaser is to be allowed sixty (60) days following the Acceptance Date in which to examine the Vendor's title to the Property at its own expense and if within that time any valid objection to title is made in writing to the Vendor which the Vendor shall be unable to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations with respect to such objections, be null and void and the Letter of Credit given as deposit shall be returned immediately to the Purchaser and neither party shall have any further rights or obligations hereunder.
- 8.02 The Vendor's title to the Property shall be marketable and free from all liens, charges, encumbrances and interests, except for the Permitted Encumbrances and except as to: (i) any

registered restrictions and covenants that run with the Lands provided same are complied with and do not interfere with the usage and occupation of the Property; (ii) municipal requirements including building and zoning by-laws, provided such registered covenants and municipal requirements have been complied with; (iii) easements; and (iv) agreements with the municipality affecting the Property provided that there is no default thereunder. The Purchaser shall not call for the production of any title deed, abstract of title or other evidence of title other than such as may be in the Vendor's possession or under its control.

8.03 This Agreement is entered into subject to the express condition that it is to be effective only if the provisions of Section 29 of the Planning Act, R.S.O. 1980, Chapter 379, and amendments, are complied with.

ARTICLE IX

RISK BEFORE CLOSING

9.01 The Property shall be and remain at the Vendor's risk until Closing and the Vendor shall hold all fire insurance policies and the proceeds thereof in trust for the parties as their respective interests may appear pending Closing. If the Property is damaged on or prior to Closing the Purchaser shall complete the purchase of the Property and the Vendor shall at its own expense immediately repair the damage in a good and workmanlike manner and the Purchaser shall release its interest in the insurance proceeds, if any, payable in respect thereto.

ARTICLE X

GENERAL

10.01 The parties agree that there are no covenants, representations, warranties, collateral agreements or conditions

- 21 - ...

affecting this Agreement other than is expressed in writing in this Agreement. The schedules attached to this Agreement shall have the same force and effect as if the information contained therein was contained in the body of this Agreement.

- 10.02 The Vendor's representations, covenants, warranties except as provided in Paragraph 4.02 hereof, and agreements contained in this Agreement shall not survive but merge on the Closing with the Transfer of Title.
- 10.03 Time shall in all respects be of the essence of this Agreement and each and every part thereof.
- Nendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at 20 Queen Street West, Toronto, Ontario M5H 3R4, Attention: Edward Kirk and with a copy to Goodman and Goodman, Barristers and Solicitors, Suite 3000, 20 Queen Street West, Toronto, Ontario, M5H 1V5, Attention: K. N. Karp. Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at 49 Yonge Street, Toronto, Ontario M5E 1J1. Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second bisiness day next following the day of mailing if sent by prepaid registered mail.
- 10.05 This Agreement of Purchase and Sale shall be read with all changes of gender and number required by the context and shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 10.06 This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.

- 10.08 This transaction shall be completed on the Closing Date from and after which date the Purchaser shall be entitled to receive all rents and profits and shall beer all expenses pertaining to the Property.
- 10.09 The Purchaser may not assign this agreement to any company, person, firm or corporation, hisever, the Vendor agrees to accept a direction from the Purchaser as to the manner in which title is to be taken for any building provided that any mortgage given back on the Closing of this transaction shall contain the guarantee of the Purchaser in form reasonably satisfactory to the Vendor's solicitors.
- 10.10. The parties hereto acknowledge that this Agreement of Purchase and Sale has been produrred through the efforts of Tri Braun Corp., the Vendor's agent, and the Vendor shall be responsible for the commission with respect to this transaction in accordance with a Commission Agreement to be executed.
- 10.11 In the event that the within transaction does not close for some reason other than the Vendor's refusal or failure to deliver Transfer of Title to the Property in accordance with the provisions of this agreement, the Purchaser acknowledges that its claim in such event shall be limited to an action for damages against the Vendor and no interest shall be created in the Lands. The Purchaser acknowledges that by reason of this provision it cannot make any claim for a lis pendens and agrees not to make such claim for lis pendens.

IN WITNESS WHEREOF the Purchaser has executed this Agreement under its corporate seal, duly attested to by the hands

of its proper officers duly authorized in that behalf this day of August, 1982.

GREYMAC CREDIT CORPORATION

Per:

THE UNDERSIGNED hereby accepts the above Offer.

IN WITNESS WHEREOF the Vendors have executed this

Agreement under their corporate seals, duly attested to by the
hands of their proper officers duly authorized in that behalf this
day of - ..., 1982.

THE CADILLAC FAIRVIEW CORPORATION

Per: / / / ' \

3G/CAD/BLANK

SCHEDULE "A" TO THE AGREEMENT OF PURTOUR AND SALE BY THE CADILLAC FAIRVIEW CORFORATION LINITED

1 %.

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
- 8. HAMPTON HOUSE
- 9. PARK PLACE
- 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
- 12. UNIVERSITY CITY
- 13. CLINTWOOD COURT
- 14. IVORDALE
- 15. MAISONETTE APARTMENTS
- 16. AINSLEY COURT
- 17. CRAIGHTON COURT
- 18. CHARLTON COURT
- 19. DON RIDGE TOWERS
- 20. FOREST GROVE
- 21. HUMBER RIDGE
- 22. MORNINGSTAR
- 23. APBOUR GREEN
- 24. SIR JOHN'S GLEN
- 25. MILLWAY VILLAGE
- 26. BAY CHARLES

SCHEDULE "C" TO THE AGREEMENT OF PURCHASE AND SALE BY THE CADILLAC FAIRVIEW COFFORATION LIMITED

	ect as defined in Schedule "A"	Verdor Mortgage Amount
1.	PARKWAY FOREST	5 15,800,000. 00
2.	HORIZON HOUSE	2,500,000.00
3.	HORIZON VILLAGE	3,900,000.00
4.	SUMMIT PLACE	2,700,000.00
5.	THE TOWNE	9,700,000.00
6.	BRETTON PLACE	7,600,000.00
7.	RGSEDALE EAST .	4,600,000.00
8.	HAMPTON HOUSE	3 700,000.00
9.	PARK PLACE	13,500,000.00
10.	GRENADIER SQUARE	5,800,000.00
11.	ROSEBURY SQUARE	5.600,000.00
12.	UNIVERSITY CITY	14,100,000.00
13.	CLINTWOOD COURT	1,200,000.00
14.	IVORDALE	1,300,000.00
15.	MAISONETTE APARTMENTS	1,900,000.00
16.	AINSLEY COURT	800,000.00
17.	CRAIGHTON COURT	1,800,000.00
18.	CHARLTON COURT	1,750,000.00
19.	DON RIDGE TOWERS	650,000.00
20.	FOREST GROVE	1,800,000.00
21.	HUMBER RIDGE	nil
22.	MORNINGSTAR	nil
23.	ARBOUR GREEN	1.000,000.00
24.	SIR JOHN'S GLEN	1,200,000.00
25.	MILLWAY VILLAGE	4,000,000.00
26.	BAY CHARLES	1,600,000.00

SCHEDULE "A" TO THE AGREEMENT OF FURCHASE AND SALE BY THE CADILLAC FAIRVIEW CORPORATION LIMITED

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
- 8. HAMPTON HOUSE
- 9. PARK PLACE
- 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
- 12. UNIVERSITY CITY
- 13. CLINTWOOD COURT
- 14. IVORDALE
- 15. MAISONETTE APARTMENTS
- 16. AINSLEY COURT
- 17. CRAIGHTON COURT
- 18. CHARLTON COURT
- 19. DON RIDGE TOWERS
- 20. FOREST GROVE
- 21. HUMBER RIDGE
- 22. MORNINGSTAR
- 23. ARBOUR GREEN
- 24. SIR JOHN'S GLEN
- 25. MILLWAY VILLAGE
- 26. BAY CHARLES

1. PARKWAY FOREST

All and Singular those certain parcels or tracts of land situate, lying and being in the City of North York, in the Municipality of Metropolitan

Toronto and being composed of: FIRSTIN: the whole of Block J, according to registered Plan 7239, registered in the Registry Office for the Registry Division of Toronto Boroughs (No. 64)

Boroughs (No. 64)

SECONDLY: the whole of Block F, according to registered Plan 8450, registered in the said Registry Office;

THIRDLY: the whole of Block I according to registered Plan 7239, registered in the said Registry Office;

FOUNTHLY: part of Block K, according to a plan filed in the said Registry Office as No. 7239, the boundaries of which may be more particularly described as follows:

COMMENCING at the northeast angle of said Block "K";

THENCE North 81 Degrees, 49 Minutes, 00 Seconds West along the northerly limit thereof, 79.50 Feet to an angle therein;

THENCE South 84 Degrees, 07 Minutes, 40 Seconds West still along the northerly limit of the block, 158.71 Feet to an angle therein;

THENCE South 81 Degrees, 04 Minutes, 40 Seconds West still along the northerly limit of Block "K", 138.43 Feet to angle therein;

THENCE South 77 Degrees, 23 Minutes, 50 Seconds West, along the northerl limit of the block, 187.06 Feet to the beginning of a curve;

THENCE southwesterly along the northwesterly limit of the block, being a curve to the left of radius 25.00 feet, an arc distance of 41.11 feet, having a chord equivalent of 36.63 Feet on a course of South 30 Degrees, 17 Minutes, 05 Seconds West, to the end thereof in the westerly limit of the block;

THENCE South 16 Degrees, 49 Minutes, 40 Seconds East along the westerly limit of the block, 119.81 Feet to the beginning of curve;

THENCE Southeasterly along the southwesterly limit of the block, being a curve to the left of radius 365.74 Fect, an arc distance of 500.51 Feet, having a chord equivalent of 363.40 Feet on a course of South 46 Degrees, 47 Minutes, 50 Seconds East to the end thereof;

THEMCE South 76 Degrees, 46 Minutes, 00 Seconds East, along the south-westerly limit of the block, 91.19 Feet to the beginning of curve;

THENCE southeasterly, still along the southwesterly. I imit of the block, being a curve to the right of radius 266.00 Feet an arc distance of 228.74 Feet, having a chord equivalent of 221.76 Feet on a course of South 52 Degrees, 07 Minutes, 55 Seconds East more or less to a point herein distant 100.60 Feet measured northerly along the arc of the curve from the most southerly angle of the block, the said point being the most westerly angle of Block "A" according to a plan filed in the Registry Office for the Registry Division of the East and West Ridings of the County of York as Number 8450;

THENCE North 79 Degrees, 13 Minutes, 15 Seconds East, along the limit of the said Elock "A", 20.55 Feet to an angle therein;

THENCE northerly along the limit between the said Blocks "A" and "K", being a curve to the right of radius 3,013.93 Feet an arc distance of 202.75 Feet, having a chord equivalent of 202.69 Feet on a course of North 01 Degree, 59 Minutes, 57 Seconds West to its point of reverse with a curve to the left;

THENCE continuing northerly along the limit between Blocks "A" and "K", being a curve to the left of radius 3,902.10 Feet, an arc distance of 411.65 Feet, having a chord equivalent of 411.46 Feet on a course of North 03 Degrees, 05 Minutes, 40 Seconds West to the Point of Commencement.

FIFTHLY: (a)

ALL AND SINGULAR that certain parcel or tract of land and premises, situate lying and being in the Borough of North York, County of York and Province of Ontario, containing by admeasurement 167,212 square feet more or less, and being composed of part of Block A according to a Plan filed in the Registry Office for the Registry Division of the Eist and West Ridings of the County of York as Number 7239, the boundaries of the said parcel of land which may be more particularly described as follows:

FREMISSING that the eastern part of the southern limit of said Block A has a bearing of North eighty-three degrees twenty-five minutes fifty-five seconds Elst (N 83°25' 55" E), and relating all bearings herein thereto;

COMMINGING at a point of the western limit of said Block A, which may be located by beginning at the south-western angle thereof;

THENCE Northerly along the western limit of said Block A being a curve to the right with radius of one thousand seven hundred and ninety-six and seventy-one one-hundredths feet (1796.71') an arc distance of two hundred and twelve and seventy-three one-hundredths feet (212.731) having a chord equivalent of two hundred and twelve and fifty-nine onehundredths feet (212.591) on a bearing of North zero degrees thirty-eight minutes twenty seconds East (N 0° 38' 20" E); THENCE North four degrees one minute fifty seconds East (N 40 Ol' 50" E) and continuing along the said western limit of Block A, one hundred and eighty and ninety one-hundredths feet (180.90') to the beginning of a curve to the right with radius of three hundred and thirty feet (330.001); THINGE Northerly and continuing along the said western limit of Block B, being the last described curve an arc distance of one hundred and ninety-two and seventy-three one-hundredths feet (192.73') having a chord equivalent of one hundred and nimety feet (190.001) on a bearing of North twenty degrees forty-five minutes thirty seconds East (N 200 45' 30" E) to the said point of commencement;

THENCE Northerly and continuing along the said western limit of Block A being the last described curve, an arc distance of seventy and fourteen one-hundredths feet (70.141) having a chord equivalent of seventy and one one-hundredth feet (70.01) on a bearing of North forty-three degrees thirty-four minutes forty seconds East (N 43° 34' 40" E); THEMOE North forty-mine degrees forty minutes five seconds East (N 49° 40' 05" E) and continuing along the said western limit of Block A, one hundred and eighty and eleven one-hundredths feet (180.11') to connect with the northern limit thereof; THENCE Easterly along the said northern limit of Block $\Lambda_{\rm c}$ being a curve to the right with radius of twenty feet (20,000). an arc distance of thirty-one and sixty-three one-hundrestha (31.63') having a chord equivalent of twenty-eight and fortyfour one-hundredths feet (28.44) on a bearing of South alghtyfive degrees one minute fifteen seconds East (S 85° 01' 15" E); THENCE Easterly and continuing along the said northern limit of Block A, being a curve to the left with radius of four hundred and nine and sixty-seven one-hundredths feet (409.67) an arc distance of two hundred and sixty-four and ninety-alx one-hundredths feet (264.961) having a chord equivalent of two hundred and sixty and thirty-six one-hundredths feet (260.361) on a bearing of South fifty-eight degrees fourteen minutes twenty-five seconds East (S 580 14: 25" E): THENCE South seventy-six degrees forty-six minutes East (5 76° 46' CO" E) and continuing along the said northern limit of Block A, one hundred and twenty-five and eightyseven one-hundredths feet (125.87') to coonect with the northeastern limit thereof; THINKS South-easterly along the said north-eastern limit of Block A, being a curve to the right, with radius of two hundred feet (200.001) an arc distance of eighty-three and two one-hundredths feet (83.02') having a chord equivalent of eighty-two and forty-two one-hundredths feet (82.421) on a bearing of South sixty-four degrees fifty-two minutes thirty seconds East (S 64° 52' 30" E);

THEMOS South thirty-three degrees one minute West (\$ 33901000 W), three hundred and seventy-five and thirty one-hundredths foet (375.301);

THEMOS North fifty-nine degrees forty-nine cinutes west (N 59° 49' 00" W), three hundred and four and eighty-two one-hundredths feet (304.82'):

THENOS North thirty-nine degrees forty-seven minutes West (N 39 $^{\circ}$ 47' 00" W), two hundred and fifty-seven feet (257.00') more or less to the said point of commencement.

(b)

extrain partel or ment of land and premises situate, lying and being in the Borrounth of Horth Morni of in the Country of York: and being composed of part of Block A according to Remistered Plan 7239 York which said parcel may be more particularly described as follows:

PREMISING that the southerly limit of Block A according to Plan 7239 York has a bearing of North 83 degrees 25 minutes 55 seconds East (N83°25'55"E) and relating all bearings herein thereto;

COMMENCING at the most easterly angle of said Block A;

THENCE South 83 degrees 25 minutes 55 seconds West (N83 $^{\circ}$ 25'55"W) along the southerly limit of Block A aforesaid 360.46 feet;

THENCE North 53 degrees 30 minutes 40 seconds West (N53^o30'40"W) along the southwesterly limit of Block A aforesaid 188.95 feet to a point in the southerly limit of Block A aforesaid distant 360.00 feet measured easterly along the southerly limit of Block A aforesaid from the southwest angle thereo THENCE North 40 degrees 33 minutes 50 seconds East (N40^o33'50"E) 235.49

THENCE North 40 degrees 33 minutes 50 seconds East (N40 33 50 E) 235.49 i.feet to a point;

THENCE North 33 degrees 01 minutes East (N33⁰01'E) 375.30 feet to a point in the northeasterly limit of Block A aforesaid;

THENCE southeasterly along a curve to the right of radius 200.00 feet the chord equivalent of 160.00 feet measured on a course of South 29 degrees 24 minutes 20 seconds East (S29 24'20"E) along the northeasterly limit of LBlock A aforesaid to the beginning of a curve to the left of radius 3079.98 feet;

THENCE southerly along the arc of said curve 433.88 which said arc has a chord equivalent to 431.69 feet measured on a course of South 09 degrees 54 minutes 10 seconds East (S09°54'10"E) to the point of commencement.

, MOSETHER WITH a Right of Way over part of Block A which said Right of Way may be more particularly described as follows:

COMMENCING at a point in the southerly limit of Block A, distant 270.00 feet measured on a course of North 83 degrees 25 minutes 55 seconds East (N.83°25'55'E.) along the said southerly limit from the southwesterly angle of said Block A.

THENCE North 83 degrees 25 minutes 55 seconds East (N.83°25'55"E.) continuing along the southerly limit of Block & aforesaid 90.00 feet to the most westerly engle of the hereinbefore described parcel.

THENCE North 40 degrees 33 minutes 50 seconds East (M.40°33'50"E.) along the northwesterly limit of the hereinbefore described parcel 235.49 feet to a point.

THENCE North 59 degrees 49 minutes West (N.59°49'W.) 255.40 feet to a .. point.

THENCE South 3 degrees 55 minutes 10 seconds West (S.3°55'10"W.) 318.31 feet more or less to the point of commencement.

, ALL AND SINCULAR that comain parcel or tract of land and premises situate, lying and being in the Borough

Liforth York nart of Elock 'A' according to a plan filed in the Registry Office for the Ragistry Division of the East and West Ridings of the County of York as 'Mumber 7239, the boundaries of which parcel of land may be more particularly Sescribed as follows:in the County of York

: MREMISING that the eastern part of the southern limit of said Block 'A' has a bearing of N 83 degrees 25 minutes 55 seconds East, and relating fill bearings herein thereto;

FOOLDENOING at the South-West angle of the said Block 'A';

THENCE Northerly along the western limit of said Block 'A' being a curve to the right with radius of 1796.71 feet an arc distance of 212.73 feet having a chord equivalent of 212.59 feet on a bearing of North O degrees 36 minutes 20 seconds Zast;

THENCE North 4 degrees 1 minute 50 seconds East and continuing along the said western limit of Block $^{\prime}h'$, 180.90 feet to the beginning of a curve to the right with radius of 330.00 feet;

THENCE Northerly and continuing along the said western limit of Block 'B'
being the last described curve an arc distance of 192.73 feet having a
chord equivalent of 190.00 feet on a bearing of North 20 degrees 45 minutes 30 seconds East;

THEMOS South 39 degrees 47 minutes 00 seconds East, 257.00 feet;

THERE South 59 degrees 49 minutes 00 seconds East, 304.82 feet;

THENCE South 40 degrees 33 minutes 50 seconds West, 235.49 feet more or less to a bend in the said southern limit of Block $^{\prime}A^{\prime};$

THRUCE South 83 degrees 25 minutes 55 seconds West, along the said southern limit of Block 'A', 360.00 feet more or less to the said point of . commencement.

MORTGAGEE	Registration Date	and Number
Montreal Trust Company London Life Insurance Company London Life Insurance Company Kinross Mortgage Corporation (i) Montreal Trust Company (ii) Bank of Montreal (iii) Montreal Trust Company	March 9, 1966 March 20, 1972 September 23, 1965 January 6, 1971 November 21, 1968 December 23, 1969 November 5, 1968	NY480458 NY 612337 NY 469560 NY 567524 NY 547201 NY 569805 NY 546093

- (i) Agreement with Bayview Summit Development Limited, registered March 30, 1969 as No. NY557216;
- (ii) Agreements with Montreal Trust Company, registered September 5, 1967 as # NY519453 and June 3, 1968 as #NY527498; (iii) Agreement with Township of North York, registered April 17, 1966, as No. NY492549.

2. HORITON HOUSE

the whole of Parcel CC-3, in the Register for Section M-674

Description of the property of the part of

TRIBUT: That pert of Respose had, forcenly Lawrence Avenue, Esti, being this firm of the Original Allowence for held between Lots 5 and 6 in Contestion 4 Dats of Tempe Street, of the Original Tambath of York, and you in the Township of Homin Terk, and designated as PART 4 on

s plan of survey of record in the Office of Land Titles at Toronto, as k-1170.

As to the lance INTEL' Describes, Subject to a lecterant in (* pur. of the left Collection COPPANT T Chills the right to extract statistical releases plant presently extract, user the past PART A no Plan R-170, and to place such additional telephone blant as it may require from the time.

SUBJECT TO Plan BA-1196 and BA-1197, under the Boundaries Act.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company July 18, 1963 A 11846

Confederation Life Association

the whole of Block F-1, in the Register for Section M-975

				200
ALCHOS	34-975	VOLUME	PARCIT	F-1 10(1) 1
Originally 7-2 Section 1-16. Recently Flan-8 Section 3-75	PROPERTY TOE	in the first term of the form	e wincle with an Absolut die the Office of Land 1 corn in favour of TFE CO Plan M-975 (cesignated as Farm 1 on	Titles at Tomorto. PAPORATION OF THE TIEND-I e placef survey of reco
	is the said	Diffice as \$-126), for the purpose	es as set out in A-1027);	2.
		MORTGAGES		

Redistration Date and Number Mortgagee October 5, 1964 A 149004

Tax 3-ction

Text 3-ction

Tex

SUBJECT TO Plan BA-1673 and Plan D641, under the Boundaries Act.

AND SUBJECT TO Easement in favour of The Hydro Electric Commission of the Borough of North York as set out in Instrument No. A 621235.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company May 5, 1964 A 136858

THE TOWNE - LEASEHOLD INTEREST ONLY

5.

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the County of York and Province of Caterio, and being composed of all of Lots, D. 4, 5, 6, 16, 17, 18 and 19 and part of Lots 2 and 20 according to a plan filed in the Registry Office for the Registry Division of said City of Poronto as Number 413B, the said percel being more particularly described as follows:

PRIMISING that the Southern limit of St. Clair Avenue East has a bearing of North 74° CO' CO" East, according to said Plan 413D, and relating all bearings harein those-to;

CONCENCING at a point in the Southern limit of St. Clair Avenue East, being also in the Northern limit of said Plan 413E, distant 25.17 feet measured Westerly therein from the North Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 feet more or less to the North Eastern angle of said Lot 6;

THENCE South 16° 23' 00" East, along the Eastern limit of said Lot 6 a distance of 130.05 feet more or less to the South Eastern angle thereof, being also the North Eastern angle of said Lot 16:

THENCE South 160 231 20" East, along the Eastern limit of said Lot 16 a distance of 155.39 feet more or less to the South Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 730 491 40" West, along the Northern limit of Pleasant Boulevard, 219.45 feet more or less to a point in the Southern limit of said Lot 20, distant 19.50 feet measured Westerly therein from the South Eastern angle thereof;

THENCE North 16° 24' 20" West a distance of 155.75 feet more or less to a point in the limit between said Lots 2 and 20, and distant 19.50 feet measured Westerly slong the Northern limit of said Lot 20 from the North Eastern angle thereof;

5. THE TOWNE (continued)

THENCE South 73° 55' 20" West, along the last described limit, 5.67 ft. to a point distant 25.17 feet measured Westerly therein from the South Eastern angle of said Lot 2;

THENCE North 169 267 20" West, 130.36 feet more or less to the point of commencement.

The Cadillac Fairview Corporation Limited interest in these lands arises out of lease between Sun Life Assurance Company of Canada as Lessor and Aldon Developments Limited as Lessee, registered February 18, 1966 as No. 72922E.M. and amended by Agreement registered as No. 74568E.M. on October 18, 1966.

MORTGAGES

Mortgagee Registration Date and Number Sun Life Assurance Company of Canada October 4, 1966 745195.M.

AGREEMENTS

Notices of Lease

BRETTON PLACE - LEASEHOLD INTEREST ONLY

FIRSTLY:

ALL AND SINGULAR that certain parcel or tract of laind and promises situate, lying and being in the City of Toronto, in the County of York, and Province of Ontario, and being composed of part of Lot Two (2), Registered Plan 274 York, and Lots Sixteen (16) to Twenty-two (20) inclusive and part of Lot "C", Registered Plan 21389 York, which said parcel of land is zere particularly described as follows:

PREMISING that the northerly limit of Jackes Avenue as shown on the said hegistered Flori 1/50, has a bearing of north seventy-four denness, were zero minutes east, and that all bearings used herein are related thereto:

COMMENCING at the north east corner of Lot Two (2) of the said Registered Plan $274\,\mathrm{f}$

THENCE westerly along the north limit of the said Lot Two (2), being the southerly limit of Rosehill Avenue, three hundred and forty-six feet (346.00');

THENCE south sixteen degrees, twenty-four minutes, ten seconds east, one hundred and sixty-five and eighty-three one-hundredths feet (165.83') more or less, to the point in the south limit of the said Lot Two (2), being the north limit of Lot "C", Registered Plan 1389;

THENCE westerly along the north limit of the said Lot "C", four and twenty-seven one-hundredths feet (4.27') more or less, to a point therein distant twenty-three feet (23.00') measured westerly along the said north limit from the north east corner of the said Lot "C";

THENCE south sixteen degrees, eleven minutes, ten seconds east, two hundred and twenty-four and twenty one-hundredths feet (224.20') more or less, to a point in the south limit of the said but "C", being the north limit of Jackes Avenue, distant twenty-three feet (23.00') measured westerly thorealong from the south east corner of the said Lot "C";

THENCE easterly along the said north limit of Jackes Avenue three hundred and fifty-two and eight one-hundredths feet (352.06') more or less, to a point in the east limit of the said Registered Plan 1389;

THENCE northerly along the said east limit of the said Registered Plan 1389, two hundred and twenty-five and seventy one-hundredths feet (225,70°) more or less, to the north east corner of Lot Sixteen (16), as shown on the said Registered Plan 1389, being the south east corner of Lot Two (2), as shown on the said Registered Plan 274;

THENCE continuing northerly along the east limit of the said Registered Plon 274, one hundred and sixty-five feet (165.00') more or less, to the point of commencement.

SUCCADUT:

ALL AND SINGULAR that certain percel or tract of land and premises situate, lying and being in the City of Toronto, in the County of York, and Province of Entario, being composed of a part of Lot Two (2), according to a plan filled in the Registry Office for the Registry Division of the County of York as Number 274, and now on file in the Registry Office for the Registry Division of Toronto, and of a part of Lot "C", according to a plan filled in the soid Registry Office for the Soid Registry Office for the County of York as Number 1989, and now on file in the soid Registry Office for the Registry Division of Toronto, the boundaries of the said percel of land being described as follows:

COMMENCING at a point in the northerly limit of Jackes Avenue where the same is intersected by the westerly limit of lands expropriated by By-law Number 17447 of the Municipal Corporation of the City of Toronto, the said point of intersection being distant one hundred and twenty-three feet, two and one-hulf inches (123'2'") measured easterly along the said northerly limit from the easterly limit of Yonge Street;

THENCE easterly along the said northerly limit of Jackes Avenue, one hundred and ninety-one feet, seven and three-quorter inches (1917%) more or less, to a point therein distant twenty-three feet (23'0") measured westerly thereon from the easterly limit of the said lot "C";

THENCE northerly parallel with the said easterly limit of Lot "C", two hundred and twenty-four feet, two and three-eighths inches $(224\,^42-3/8^\circ)$ more or less, to the northerly limit of the said Lot "C", being also the southerly limit of the said Lot Two (2).

THENCE easterly along the said southerly limit of Lot Two (2), four feet, three and one-quarter inches (4°13¢") more or less, to the point of intersection thereof with a line drawn parallel with the easterly limit of the said Lot Two (2) and distant three hundred and forty-six feet (346°0") westerly therefrom measured on the course of the southerly limit of Rosehill Avenue;

THENCE northerly along the said parallel line, one hundred and sixty-five feet, ten inches (165'10") more or less, to the southerly limit of Rosehill Avenue aforesaid;

THENCE westerly along the said southerly limit of Rosehill Avenue, one hundred and sixty-five feet, seven inches (165'7'') more or less, to a point therein distant one hundred and fifty-four feet, seven and one-half inches $(154'7\frac{1}{2}'')$ measured easterly thereon from the said casterly limit of Yonge Street;

THENCE southerly in a straight line, one hundred and sixty-five feet, eight and one-quarter inches (165 $^{16}\%$) more or less, to a point in the southerly limit of the said Lot Two (2) distant one hundred and fifty-four feet, six inches (154 $^{1}6^{\circ})$ measured easterly thoreon from the said casterly limit of

Yonge Street;

THENCE westerly along the said southerly limit of Lot Two (2) being also the northerly limit of the said Lot TCT, twenty-mine feet, eight and three-quarter inches (29.8%) more or less, to the point of intersection thereof with a line drawn on a course perpendicular to the said point of commencement, the said point of commencement, the said point of intersection being distant one hundred and twenty-four feet, nine and one-quarter inches (124-1-17) more or less, measured easterly thereon from the said easterly limit of Yonge Street;

THENCE southerly along the said line drawn perpendicular to Jackes Avenue, being the westerly limit of lands expropriated as ofcrossed, two hundred and twenty-four feet, two and enc-quarter inches (224,249) more or less, to the said point of commencement.

SUBJECT TO A RIGHT OF WAY at all times for all those now or hereafter entitled thereto over, along and upon a strip of land two feet six and one-half inches $(2^{\circ}(\frac{1}{2})^{\circ})$ in perpendicular width comprising the northerly one hunired and fifty—three feet eight inches $(15)^{\circ}(5)^{\circ}$ of the westerly two feet six and one-half inches $(2^{\circ}(\frac{1}{2})^{\circ})$ of that part of the said Lot Two (2) included within the limits of the said lands hereinbefore described;

AND SUBJECT TO THE RIGHTS in favour of the Municipal Corporation of the City of Toronto to enter upon, construct, maintain and operate a sewer in, over, along and upon that port of the said lands hereinbefore described, more particularly described in two parts as follows:

FART OND:

ALL AND SINGULAR that certain parcel or strip of land being composed of part of the said Lot Two (2) according to Plan Number 274, and part of the said Lot "C", according to Plan Number 1389, the said strip of land having a perpendicular width of ten feet (10'0") and lying five feet (5'0") on either side of a centre line and the productions of the same, extending from the southerly limit of Roschill Avenue to the northerly limit of Jackes Avenue, and which said centre line is more particularly described as follows:

COMMINCING at a point in the said southerly limit of Rosehill Avenue distant two hundred and fiftyone feet, four and one-half inches (251'4½") measured easterly thereon from the easterly limit of Yonge Street;

THENCE southerly in a straight line three hundred and eighty-nine feet, eleven and one-quarter inches $(38)^{\circ}11^{\frac{1}{4}}^{\circ})$ more or less, to a point in the said northerly limit of Jackes Avenue distant two hundred and forty-three feet, eight and one-half inches $(2^{\frac{1}{4}})^{\circ}(\mathbb{S}^{\frac{1}{2}})^{\circ})$ measured easterly thereon from the said easterly limit of Yonge Street;

PART TWO:

ALL AND SINGULAR that certain parcel or strip of land being composed of part of the said Lot Two (2),

according to Plan Number 274, the said strip of land having a perpendicular width of ten feet (10°0") and lying five feet (5°0") on either side of a centre line and the productions of the same, extending from the southerly limit of Roschill Avenue to a connecting line hereinafter described, the soid centre line being more particularly described as follows:

COMMENCING at a point distant eighty-three feot, five and one-half inches $(83)^{\frac{1}{2}})^{\frac{1}{2}}$ measured southerly along a straight line connecting a point in the said southerly limit of Rescipil Awarus, distant two hundred and fifty-one feet, four and one-half inches $(251)^{\frac{1}{2}})^{\frac{1}{2}}$ measured easterly thereon from the easterly limit of Young Street with a point in the said northerly limit of Jockes Avenue distant two hundred and forty-three feet, eight and one-half inches $(24)^{\frac{1}{2}})^{\frac{1}{2}}$ measured easterly thereon from the said easterly limit of Yonge Street.

THENCE north easterly in a straight line, one hundred and four feet, eleven and one-half inches (104'11½") more or less, to a print in the said southerly limit of Rosehill avenue distant three hundred and thirteen feet, ten and three-quarter inches (313'10 $\frac{2}{4}$ ") measured easterly thereon from the said easterly limit of Yonge Street;

The aforementioned parcels described in Port One (1) and Part Two (2) being below the same plane as hereinafter described in the Reservation for Subway Basement.

RESERVING to the Toronto Traisit Commission, its successors and assigns, out of the aforesaid lands for the structure, operation and maintenance of the Subway presently constructed therein, that part of the said lands herein described naving a perpendicular width of forty-eight feet, four inches (45'4'") and lying twenty-four feet, two inches (24'2") on either side of the centre line of a double track railway extending from the northerly limit of Jackes Avenue to the southerly limit of Rosehill Avenue, the said part lying below a plane having an elevation of four hundred and thirty-five and ninety-four one-hundredths feet (435.94') above the datum as established and in general use by the City of Toronto, where the said plane is intersected by the northerly face of the Jackes Avenue Bridge, the said plane having an elevation of four hundred and fifty and fifty one-hundredths feet (450.50') where it is intersected by the southerly face of the Rosehill Avenue Bridge.

The aforementioned elevations have been established by markings on the north side of the west picr of Jackes Avenue Bridge and on the west side of the south face of Rosehill Avenue Bridge by Speight, Van Nostrand, Ward and Anderson - Ontario Land Surveyors.

The said part containing by admeasurement eighteen thousand eight hundred and forty-seven square feet (18,847 sq.ft.) be the same more or less,

6. BRETTON PLACE (continued)

Page 5

The Cadillac Fairview Corporation Limited interest in these lands arise out of two leases between:

1) North American Life Assurance Company as Lessor and Karwood Realty Limited as Lessee, registered July 8, 1964, as No. 68980E.M. and amended by agreement registered as No. 72261 E.M.; and

2) Toronto Transit.Commission as Lessor and Karwood Realty Limited and Sam Salvador Investments limited as Lessees, registered April 1974, as No. 68239 E.M. and amended by agreement registered as 70260 E.M., and which was the subject of a sub-lease registered as 70263 E.M.

MORTGAGES

Mortcagee

Registration Date and Number

London Life Insurance Company

November 5, 1965 70264 E.M.

7. ROSEDAL SECTION Y-3	Trouble the Register for Section Y-3
	FARCEL 21-1 FOLIO
Cristally and Laterally 11-1 Section (La)	America Longer application p-1042 The Statistic Politics Transformation to the process of the politics of the
he Comproler of Eevenue	
once craims no tien on this sorcel in respect of previous	Prot of let 12 in Concession 2 from the Bay of the Township of York, now in the City of
epiporale ownership.	The state of the s
	Office fer the Berteine Division of Toronto: Bris of Love 2 to 2 inclusive Line
	hats f to 32 decimelys. Jose 33 to 33 inclusive and Party of less 19 to 72 deciments, 422 as
1	
	shows on Flan 1908 registered in the Registry Office for the Registry Division of the Sect
	and Mast Birton of the County of York and Ros on file in the said Registry Office for the
	Engistry Division of Coronto: Part of Dartford Foad as shown on eath Flat 1925, and lot west
	Road, being compress of the late and uson foot reserves agretoing the north att with lunity of
	the lane as shown on said Plan 1200 Pents of Lote 37 and 36 as shown on east Flat 1907, John
	2 and 12 as shown on said Plan 1905 and Part of Lot II in Concession 2 from the Eav of the
	Tempening of Yerk and now in the City of Toronton stormed up and closed by sy-lev 2005; of the
	Conversation of Libe City of Jaroma registered in the sain legister Office for the Secretary
-	Division of Terrors as Instrument SETS E.F. and filled to the Office of Land Titles at Decree
	for reference only as 4-M52125, helps the lands, pesignated as FARTS 1, 2, 2 and 9 on a 7.40 of
	Survey of record in the said Ciffice of Land Cities as 8-2725.
	SUBJECT TO a right-of-way for the benefit of the owners and
	occupants of the lands and previous impediately adjoining to the south of said feld and they
	along and upon the said PART 4.
	· · · · · · · · · · · · · · · · · · ·

Mortgagee Registration Date and Number Confederation Life Association December 22, 1965 A 183704

tract s of land and premises, situate, lying and being in the Clty of Toronto, in the County of York,

being compared of FIRSTELY: Lots Numbers Twenty (20), Twenty-one (21), Theory-two (20), and Twenty-three (23), and parts of Lots Numbers Sinetcen (19) and Twenty-four (2h), on the south side of Rochampton Avenue, and Lot Number Twenty-four (2h) and parts of Lots Numbers Twenty-three (25) and Twenty-five (25) on the north side of Delinton Avenue East, according to a Flon filled in the Registry Office for the City of Toronto as Number 639 York, which said parcel may be more particularly described as follows:-

COMMINGING at an iron bur in the southerly limit of Rochampton Avenue, being the northerly limit of Lot Mineteen (19) aforesaid, distant fifty fact zero inches (50°C") measured westerly thereslong from the northeest angle of said Lot;

THENCE easterly along the southerly limit of Mochampton Avenue, being along the northerly limits of Lots Mumbers Nineteen (19). Twenty (10). Twenty-foot Twenty-one (21). Twenty-tweety-one (21), twenty-tweety-one to the surface (23) and Twenty-foot (24), four hundred and sixty-seven feet one and one-half inches(457)/4 more or less, to an iron bur in the westerly limit of Rawlinson Avenue as widehed by Deed No. 4190 North Toronto, said from the being distant seventeen feet zero inches (1709) measured casterly thereafting from the north west angle of hot Twenty-feet (24) oferesaid:

THICT southerly along the westerly limit of Rawlinson Avenue as widened, three hundred and eighty feet one and three-quarter inches (380'1-3/4") more or less, to an iron bar in the northerly limit of Eglinton Avenue East as widened by By-law 12395 City of Toronto:

THENCE westerly along the northerly limit of Eglinton Avenue East as widened, one hundred and ninety-one feet eleven and one-half inches (191!11-1/2") more or less, to an iron bar distant seventy-five feet zero inches $(75^{\circ})^{\circ}$ measured westerly therealong from the easterly limit of Lot Twenty-three (23) aforesaid;

THENCE northerly parallel to the easterly limit of Lot Twenty-three (22) aforesaid, one hundred and eighty-four feet eleven inches (164'll") more or less, to the northerly limit of the said Lot, being also the southerly limit of Lot Twenty-two (22) aforesaid;

THENCE westerly along the southerly limit of Lots Numbers Twenty-two (22), Twenty-one (21), Twenty (20) and Nineteen (19) aforesaid, two hundred and seventy-four feet and three-quarter inches (274'4-1/4") more or less, to an iron bar distant fifty feet zero inches (50'0") measured westerly therealong from the south east angle of Lot Nineteen (1

THEACE northerly parallel to the easterly limit of Lot Number Kineteen (19) aforesaid, one hundred and minety-live feet zero inches (195°C $^{\mu}$) more or less, to the point of commencement.

TOOTTHER WITH A FIGHT OF WAY over the easterly three feet nine inches (3°)") of the southerly eighty feet (80°) of that part of Lot Twenty-three (23) on Plan 639, on the north side of Eglinion Avenue lying to the west of the lands herein described.

AND SUBJECT TO A RIGHT OF MAY over the westerly three feet nine inches (3'9") of the southerly eighty feet (80') of that part of Lot Eventy-three (23) on Flam 639 on the north side of Eglinton Avenue above described.

THE SAID TWO RIGHTS OF WAY to form a common passageway and driveway for the use of the owners and occupants of the lands on either side thereof and for all persons authorized by them to use the same.

SECONDLY: Parts of Lots Numbers Bighteen (1c) and Mineteen (19) on the south side of Rochampton Avenue, according to a plan filed in the Registry Office for the City of Toronto ts Number 559 York, which said purcel may be more particularly described as follows:

PREMISTIG that the northerty limit of Ejlinton avenue Lost has a bearing of north seventy-four degrees zero minutes, zero seconds east (274 00'00"D) and relating all bearings herein thereto:

8. HAMPTON HOUSE (continued)

Page 2

COMMINGING at an iron bar in the southerly limit of Lot Nincteen (19) aforesaid, distont fifty fact zero inches $(50^{\circ}0^{\circ})$ measured on a course south seventy-four degrees area three minutes west $(578^{\circ}00^{\circ}W)$ along the southerly limit of said Lot from the south cast angle thereof;

TIMECO north fifteen degrees, forty-nine minutes, zero seconds west (M15 49 000 m) parallel to the obsterly limit of Lot Nineteen (19) aforessed, forty-five feet three inches (45 3 m) to an iron bar:

THEORY south seventy-four degrees zero three minutes west (\$74 epgs) parallel to the southerly limits of Lots Nineteen (19) and Elighteen (1e) aforeseid, eighty-hine feet wax and one-half inches (e996) to the easterly limit of Kount Pleasant Road as widened by City of Torento By-law humber 11719;

The Coi south twenty-one degrees forty-two minutes east (S21 $^{\circ}$ 0.2%) along the aforesaid widewed limit forty-five feet four and con-scal limits (15.5%) $^{\circ}$ 0 more or less, to an iron bar in the southerly 14-15 of Loi Alphton (18);

This C2 north seventy-four degrees zero three minutes east $(\pi/\hbar^{0} \circ \psi_{**})$ plong the seatherly lists of Lots diplaces (16) and directed (17) afterseid, eighty-five feet ten and one-quarter indees $(\pi/\hbar^{0} \circ \psi_{**})$ were or less to the point of commencement.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company January 19, 1968 102635 E.C.

PARK PLACE

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.... tract

. 9.

of land and premises, situate, lying and being in the Toronto, in the County of York,

parcel City

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being composed of

all of Lots One (1) to Twenty-one (21) inclusive, according to registered Plan 1965 York, all of Lots Eleven (11) to Twenty-six (CC) inclusive and part of Lot Ten (10). Block Three, according to registered Plan 553 York, which said parcel may be more particularly described as follows:

PREMISING that the easterly limit of Pacific Avenue as shown on Flam 553 York has a bearing of north sixteen degrees, west and relating all bearings herein thereto;

COMMENCING at the south east angle of Lot Twenty-one (21), according to said Plan 1486 and being also the north easterly angle of that parcel of land designated as Part One on a Flan of Survey of record in the Office of Land Titles at Toronto as R 2621 as marked by a cut cross in concrete;

THENCE north fifteen degrees fifty-eight minutes forty seconds west along the westerly limit of Oakmount Road, being along the easterly limits of Lots Twenty-one (21) to Two (2) inclusive, Plan 1455 Yerk, in all Eight Hundred and Fourteen feet Six inches to an iron bar in the north east angle of Lot Two (2) aforesaid, according to said Plan 1466;

THENCE south seventy-four degrees, twenty-three minutes, forty sective west along the northerly limits of Lets One (1) and Two (2), Plan 1486 York and along the northerly limits of Lets Twenty-six (26), Twenty-five (25) and Twenty-four (24), Block Three, Plan 553 York, being along the southerly limit of Glenlake Avenue, Two Mandred and Nincty-nine feet Two and One-half inches to an iron bar in the north west angle of Lot Twenty-four (24), Block Three, Plan 553 York;

THENCE south sixteen degrees, zero minutes, zero seconds east, Eight Hundred and Twonty-two feet, Five inches along the casterly limit of Pacific Avenue, being along the westerly limits of Lots Twenty-four (24). Twenty-three (23), Twenty-two (22), Twenty-one (21), Twenty (20), Kineteen (19), Eighteen (16), Sewenteen it7). Sixteen (16), Fifteen (15), Fourteen (14), Thirteen (13), Thelve (12), Eleven (11) and part of Lot Ten (10), Block Three, Plan 553 York, to an iron bar in the westerly limit of Lot Ten (10) distant Twenty-eight feet zero inches measured southerly therealong from the north west angle of Lot Ten (10), the said iron bar being the north westerly angle of that parcel of land designated as Part One on a Plan of Survey of record in the Office of Land Titles at Toronto as R 2621;

THENCE north seventy-four degrees, thirteen minutes, twenty seconds east along the northerly limit of said Part One, Flan R 2021, One Hundred and Thirty-one feet Three-quarter inches to an iron bur in the westerly limit of Lot Twenty-two (22), according to said Plan 1486:

THENCE north fifteen degrees fifty-nine minutes twinty seconds west still along the limit of Part One of said Plan R 2021, Seven foot. Nine and One-quarter inches to an iron bor in the south west engle of said Lot Twenty-one (21), according to said Plan 1486:

THENCE north seventy-four degrees twenty-five minutes forty seconds cast along the southerly limit of said Lot Twenty-the (21), Plon 1486 York, and being still along the northerly limit of said Part One, Plan R 2621, a distance of One Bundred and sixty-eight feet One inch to the point of commencement.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company June 27, 1966 101200 W.C.

B. PARTIALLY LEASEHOLD INTEREST

FIRSTLY: All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipal. of Metropolitan Toronto, and being composed of the whole of Lots 7 through 28, both inclusive, and the whole of Lots 33 through 52, both inclusive, and part of Lot 29, in Slock 2, according to Plan 553 registered in the Land Registry Office for the Registry Division of Toronto, and being designated as PARTS 1, 2 and 3, on a reference plan filed in the said Land Registry Office as 63R-835

 $\frac{\texttt{SECONDLY}}{\texttt{being}} \quad \text{The whole of Parcel 29-1-2 in the Register for Section A-553,}$

In the City of Toronto, in the Nunicipality of Metropolican Toronto, formerly in the County of York, and being all of Lots 30, 31, and 32, and part of Lot 29 in Block 2, as shown on Plan 553 York, filled in the Registry Office for the Registry Division of the East and West Riding of the County of York, now the Registry Office for the City of Toronto, and designated as Parts 1, 2 and 3 on a plan of survey of record filed in the Office of Land Titles at Toronto as Number 2-3019.

LEASEHOLD INTEREST ONLY

The interest of The Cadillac Fairview Corporation Limited in Lots 7 and 52 and parts of Lots 8 and 51, in Block 2, Plan 553 designated as Part 1, on said reference Plan 63R-835 is a Leasehold Interest arising out of a lease with the Municipality of Metropolitan Toronto, notice of which is registered January 22, 1973, as Instrument No. 16853 W.T.

MORTGAGES

Mortgagee	Registration Date	and Number
London Life Insurance Company	April 19, 1968	A239266 (105830 W.T.
London Life Insurance Company	February 7, 1974	CT46744 (A418906)

AGREEMENTS

Agreement with the Municipality of Metropolitan Toronto, registered February 20, 1974, as Instrument no. CT48706.

FIRSTLY

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and being composed of parts of Lots 12, 13, 14, 15, 16, 17, 18, 19 and 20 and parts of Lots 46 and 47 and all of Lots 39, 40, 41, 42, 43, 44 and 45 all in Block 1, according to a Plan filed in the Land Registry Office for the Registry Division of Toronto Boroughs as No. 553 the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Block 1 of said Plan Number 553 York, being also the west limit of High Park Avenue, has a bearing of north sixteen degrees, zero minutes, zero seconds west (N16^O00'00"W) and relating all bearings herein thereto;

COMMENCING at a point on the west limit of said Lot 46, distant two hundred and thirty-nine and fifteen one-hundredths feet (239.15') measured northerly along the east limit of Quebec Avenue from the southwest angle of Lot 50 in said Block 1 of said Plan Number 553 York;

THENCE north fifteen degrees, fifty-seven minues, fifty seconds west (N15°57'50"W) along the said east limit of Quebec Avenue, being also the west limits of said Lots 46, 45, 44, 43, 42, 41, 40 and 39, in all a distance of three hundred and sixty and eighty-five one-hundredths feet (360.85') more or less to the northwest angle of said Lot 39;

THENCE north seventy-four degrees, twenty-eight minutes, fifty seconds east (N74°28'50"E) along the north limit of said Lot 39, one hundred and fifty-nine and sixty-five one-hundredths feet (159.65') more or less to the northeast angle thereof;

THENCE south fifteen degrees, fifty-eight minutes, zero seconds east (S15°58'00"E) along the east limit of said Lot 39 eight one-hundredths of a foot (0.08') more or less to the northwest angle of said Lot 20;

THENCE north seventy-four degrees, nineteen minutes, ten seconds east (N74⁰19'10"E) along the north limit of said Lot 20, ninety-nine and fifty-seven one-hundredths feet (99.57') more or less to its point of intersection with a line parallel to the aforesaid west limit of High Park Avenue, distant one hundred feet (100.00') measured westerly therefrom and perpendicularly thereto;

....2

THENCE south sixteen degrees, zero minutes, zero seconds east (S16000'00"E) along the last described parallel line, two hundred and twenty and seventy-eight one-hundredths feet (220.78');

THENCE south seventy-four degrees, zero minutes, zero seconds west (574 00 00 00 W) seventy-nine and seventythree one-hundredths feet (79.73'):

THENCE south sixteen degrees, zero minutes, zero seconds east (\$16000'00"E) and parallel with the said west limit of High Park Avenue, one hundred and eighty-seven and sixty-one one-hundredths feet (187.61');

THENCE south seventy-four degrees, zero minutes, zero seconds west (S7400'00"W) seventy-nine and seventythree one-hundredths feet (79.73') more or less to its point of intersection with a line parallel to the aforesaid Quebec Avenue, distant one hundred feet (100.00') measured easterly therefrom and perpendicularly thereto;

THENCE north fifteen degrees, fifty-seven minutes, fifty seconds west (N15°57'50"W) along the last described parallel line, forty-nine and forty-four one-hundredths feet (49.44') more or less to its point of intersection with a line drawn from the said point of commencement on a course of north seventy-four degrees, two minutes, ten seconds east (N7402'10"E):

THENCE south seventy-four degrees, two minutes, ten seconds west (S7402'10"W) along the last described line, one hundred feet (100.00') more or less to the said point of commencement.

The hereinbefore described parcel contains by admeasurement 86,240 square feet more or less.

MORTGAGES

Mortgagee

Registration Date and Number

London Life Insurance Company

September 11, 1968 106745 W.T.

SECONDLY

(1)

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City : of Toronto, in the Municipality of Metropolitan Toronto and being composed of Parts of Lots 46 to 50 inclusive in Block 1 according to a Plan filed in the Land Registry Office for the Registry Division of Toronto Boroughs as No. 533 York, the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Blook 1 of said Flan Number 553 York, being also the west limit of High Park Avenue, has a bearing of north sixteen degrees zero minutes zero seconds west (N.16000000W.) and relating all bearings herein thereto:

COMMENCING at a point on the west limit of said Lot 50, distant nineteen feet (19.00°) measured northerly there along from the southwest angle thereof;

THENCE north fifteen degrees fifty-seven minutes fifty seconds west (N.15°57'50"W.), along the west limits of said Lots 50, 49, 48, 47 and 46 being also the east limit of Quebec Avenue, in all a distance of two hundred and twenty and fifteen one-hundredths feet (220.15') to a point thereon;

THENCE north seventy-four degrees two minutes ten seconds East $(N.74^{\circ}02'10"E)$ one hundred feet (100.00');

THENCE south fifteen degrees fifty-seven minutes fifty seconds east (S.15°57'50'E) and parallel to the said west limits of Lots 46, 47, 48, 49 and 50 two hundred and twenty and eighty-five one-hundredths feet (220.85') more or less to its point of interesection with a line drawn from the said point of commencement parallel to the said south limit of Lot 50 on a course of north seventy-four degrees twenty-six minutes ten seconds east (N.74°26'10°E);

THENCE south seventy-four degrees twenty-six minutes ten seconds west $(S.74^{\circ}26'10"\text{W})$, along the last described parallel line, one hundred feet (100.00') to the point of commencement.

- The hereinbefore described parcel contains by admeasurement 22,050 square feet more or less.
- (2) ALL AND SINGULAR that certain parcel or tract of land and premites, situate, lying and being in the City of Toronto, in the County of York and Province of Ontario, and being composed of parts of Lots 16 to 20 inclusive in Elock 1 according to a Flan filed in the Regist: Office for the City of Toronto in the Western Division as Number 553 York, the boundary of the said parcel of land may be more particular; described as follows:

PRETISING that the east limit of said Block 1 of the said Flan Number 553 York, being also the west limit of High Park Avenue has a bearing of North sixteen degrees zero minutes zero seconds West (n. 16°CO'CO" and relating all bearings herein thereto;

COMMENCING at the north-east angle of said Lot 20, being also a point on the said west limit of High Park Avenue;

THENCE SOUTH seventy-four degrees nineteen minutes ten sec onds West (S. 7% 10°10°W.), along the north limit of said Lot 20, one hundred feet (100.00) more or less to its point of intersection with a line parallel to the said west limit of High Park Avenue, distant one hundred feet (100.00) measured westerly therefrom and perpendicularly thereto;

Pace 4

109003 W.T.

THENGE SOUTH sixteen degrees zero minutes zero seconds East, (\$16 00'00"E) along the last described parallel line, two hundred and twenty and seventy-eight one-hundredths feet (220.78');

THENGE NORTH seventy-four degrees zero minutes tero seconds East (N74 00'00"E), one hundred feet (100.00") more or less, to a point on the said west limit of Bigh Park Avenue, distant two hundred and twenty and twenty-two one-hundredths feet (220.22') measured southerly therealong from the said north-east angle of Lot 20;

THENCE NORTH sixteen degrees zero minutes zero seconds West (N16 $^{\circ}$ 00°tomm) along the said West limit of Eigh Park Avenue, two hundred and twenty and twenty-two one-hundredths feet (220,22') to the said point of commencement.

The hereinbefore described parcel of land contains by admeasurement, 22,050 square feet more or less.

MORTGAGES

Mortgagee Registration Date and Number

The Monarch Life Assurance Company August 26, 1969

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THIRDLY

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the County of York and Province of Ontario, and being composed of parts of Lots 8, 12, 13, 14, 15, 16, 47, 48, 49 and 50, and all of Lots 9, 10 and 11, in Block 1, according to a plan filed in the Registry Office for the City of Toronto in the Western Division as Number 553 York, the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Block 1 of said plan Number 553 York, being also the west limit of High Park Avenue, has a bearing of North Sixteen degrees, zero zero minutes, zero zero seconds West and relating all bearings herein thereto;

COMMENCING at a point on the said west limit of High Park Avenue; distant 220,22' measured southerly therealong from the north-east angle of Lot 20 in said Block 1;

THENCE South Seventy-four degrees, zero zero minutes, zero zero seconds West, 179.73';

THENCE South Sixteen degrees, zero zero minutes, zero zero seconds Bast and parallel with the said west limit of High Park Avenue 187.61';

THENCE South Seventy-four degrees, zero zero minutes, zero zero seconds West, 79,73' more or less to its point of intersection with a line parallel to Quebec Avenue, distant 100,00' measured easterly therefrom and perpendicularly thereto;

THINCE South Fifteen degrees, Fifty-seven minutes, Fifty seconds East along the last described line, 171.41' more or less to its point of intersection with a line perallel to the south limit of said Lot 50, distant 19.00' measured northerly along the west limit thereof from its south west angle;

WEDNOT North Seventy-four degrees, Twenty-six minutes, Tenseconds East, along the last described parallel line, 59.71' more or less to the east limit of said Lot 50; THENCE South Sixteen degrees, zero one minutes, zero zero seconds East, along the west limit of said Lots 9 and 8, in all a distance of 29,00° more or less to a point thereon, distant 20.00° measured southerly therealong from the north-west angle of said Lot 8;

THENCE North Seventy-four degrees, Twenty four minutes, zero zero seconds East and parallel to the north limit of said Lot 8, 199.86' more or less to the said west limit of High Park

THENCE North Sixteen degrees, zero zero minutes, zero zero seconds, along the said west limit of High Park Avenue, 399.88 more or less to the said point of commencement. The hereinbefore described parcel of land contains by admeasurement 86,240 square feet more or less.

MORTGAGES

Mortgagee Registration Date and Number
The Royal Trust Company December 18, 1967 105149 W.T.

II. ROSEBURY SQUARE

.1) All and Singular those certain parcels or tracts of land and premises situate, lying and being in the Borough of York, in the Municipality of Metropolitan Toronto and being composed of:

All of Lots Three Hundred and Fighty-eight (388), Five Hundred and Sixty-five (565), Five Hundred and Sixty-six (566), Five Hundred and Sixty-seve (567), Five Hundred and Sixty-seve (567), Five Hundred and Sixty-eight (568), Five Hundred and Sixty-nine (569), Five Hundred and Seventy (570), Seven Hundred and Eleven (711), Seven Hundred and Eleven (712), Seven Hundred and Thirteen (713), Seven Hundred and Fourteen (714), Seven Hundred and Trifferen (715), Five Hundred and Thirty-top (572), Five Hundred and Thirty-top (572), Five Hundred and Thirty-top (572), Five Hundred and Thirty-five (573), Parts et al. (715), Five Hundred and Thirty-four (574), Five Hundred and Thirty-four (574), Five Hundred and Thirty-four (575), Parts of Lots (716), Three Hundred and Eighty-seven (587), Three Hundred and Eighty-nine (387), Three Hundred and Ninety-two (392), Five Hundred and Ninety-nine (579), Five (716), Five Hundred and Thirty-seven (577), Five (717), Hundred and Thirty-sight (578), Five Hundred and Thirty-seven (577), Five (717), Hundred and Forty (540), Five Hundred and Sventy-one (571), Seven Hundred and Ten (710), according to Plan 1775 York, registered in the Registry Office for the Registry Division of Toronto Boroughs and York South, formerly the Registry Division of Toronto Boroughs and York South, formerly the Registry Division of the East and West Ridding of the County (718), and part of Castlefield Avenue, as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, and part of Lyon Avenue as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, and part of Lyon Avenue as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, and part of Lyon Avenue as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, and part of Lyon Avenue as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, and part of Lyon Avenue as shown on said Plan 1775 York, now closed by By-law 777 of the Borough of York, an

SECONDLY:

. The subsurface of Lot Three Hundred and Eighty-six (386) and parts of Lots Three Hundred and Eighty-five (385), Three Hundred and Eighty-seven (387), and Five Hundred and Forty (540), according to Plan 1775 registered in the Registry Office for the Registry Division of Toronto Boroughs and York South, formerly the Registry Division of the East and West Riding of the County of York, designated as Part Two (2) on said Reference Plan being all that part of Part Two (2) lying below an inclined plane, the eastern extremity of said inclined plane having an elevation of six hundred and sixty-seven feet (667.00') geodetic datum and the western extremity of the said inclined plane having an elevation of six hundred and sixty-five and thirteen one-hundredths feet (665.13') (the said plane being the top of the nine inch (9") roof slab of the upper basement garage).

THIRDLY:

The subsurface of part of Lot Five Nundred and Forty (5^{10}) according to said registered Plan Number 1775 York, designated as Part Three (3) on said Reference Plan $64R-I/4_{L}q$ being all that part of Fart Three (3) lying below an inclined plane the north east extremity of said inclined plane having an elevation of six hundred and sixty-seven feet (667.00°) geodetic datum, the south east extremity of the said inclined plane having an elevation of six hundred and sixty-six and fifty-four one-hundredths feet (666.54°) geodetic datum, the north west extremity of said inclined plane having an elevation of six hundred and sixty-five and thirteen one-hundredths feet (665.13°) geodetic datum; the south west elevation of the said inclined plane having an elevation of six hundred and sixty-four and sixty-seven one-hundredths feet (664.67°) geodetic datum (the said plane being the top of the roof slab of the upper basement garage).

As to all of the lands firstly, secondly, and thirdly above described:

MORTGAGES

Mortcacee

Recistration Date and Number

London Life Insurance Company

September 14, 1971 570521 York

AGREEMENTS

Notice of Leases Agreement with London Life Insurance Company, registred November 4, 1971 as No. 572060 York ****

all th ose parcels or tract of land and premises, situate, lying and being in the City of Toronto, and and in the Borough of York, in the County of York, being compared of

FIRSTLY:

all of Lots One Hundred and Ten (110), One Hundred and Eleven (121), One Hundred and Twelve (112), and parts of Lots One Hundred and Twelve (112), and parts of Lots One Hundred and Thirteen (113), one Hundred and Frureen (114), and One Hundred and Frifteen (115), according to Plan/24/23 York, registered in the Registry Office for the Registry Division of the City of Toronto, and all of Lots Two Hundred and Ninety-nine (299), Three Hundred (300), Three Hundred and One (301), Three Hundred and Two (301) Three Hundred and Two (301) Three Hundred and Two (302) Three Hundred and Two (303), Three Hundred and Two (303), Three Hundred and Two (303), Three Hundred and Two (311), Three Hundred and Eleven (311), Three Hundred and Twelve (312), Three Hundred and Fifteen (313), and parts of Lots Two Hundred and Kinety-eight (298), Three Hundred and Six (306) and Three Hundred and Seven (307), according to Plan 1769 You registered in the said Registry Office and part of Lot Seven Hundred and Twe Registry Office for the East and West Ridding of the County of York and designated as Parts One (1), Six (6), Seven (7), and Eight (5), on a Reference Plan deposited in the Registry Office for the Registry Office for the East and West Ridding of the County of York and for the East and West Ridding of the County of York and For the East and West Ridding of the County of York and For the East and West Ridding of the County of York and For the East and West Ridding of the County of York as Plan RS-1074.

SUBJECT TO AN EASIMENT in favour of the City of Toronto, over, along and upon parts of Lots Two Hundred and Ninety-eight (298), Three Hundred and Disht (208), Three Hundred and Nine (309), Three Hundred Hundred and Bight (208), Three Hundred and Nine (309), Three Hundred and Ten (310), Three Hundred and Eleven (311), Three Hundred and Twelve (312), Three Hundred and Thirteen (315), Three Hundred and Fourteen (314), and Three Hundred and Fifteen (315), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Ten (110), One Hundred and Eleven (111), One Hundred and Twelve (112), One Hundred and Triffteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART SIX (6), on said Reference Plan Plan.

SUBJECT TO AN DASPENT in favour of the City of Toronto, the Bell Telephone Company of Canada and the Toronto Hydro-Electric System over, along and upon parts of Lots Two Hundred and Nine (109). Three Hundred and Eight (308), Three Hundred and Nine (109). Three Hundred and Ten (310), Three Hundred and Eleven (311), Three Hundred and Tourteen (312), Three Hundred and Fourteen (312) and Three Hundred and Fifteen (315), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Ten (110), One Hundred and Eleven (111), One Hundred and Twelve (112), One Hundred and Thirteen (113), one Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART SEVEN (7) on said Reference Plan.

SECONDLY:

the surface of part of Lot Three Hundred and Seven (307) according to said Registered Plan 1769 York, being designated as FART TWO (2) on said Reference Plan, being all that part of PART TWO (2) lying above a horizontal plane having an elevation of five hundred and sixty-eight feet (568) geodetic datum (the said plane being the top of the new mine inch (9") roof slab of the upper basement garage).

THIRDLY:

the surface of part of Lot Three Hundred and Seven (307), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Nine (109), One Hundred and Thirteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART THREE (3) on said Reference Plan being all that part of said FART THREE (3) lying above an incline plane, the southern extremity of said incline plane having an elevation of five hundred and sixty-eight feet (568') goodetic datum and the northern extremity of the said incline plane having an elevation of five hundred and seventy-two feet (572') geodetic datum (the said plane being the top of the new nine inch (9°) roof slab of the upper basement garage).

FOURTHLY:

the sub-surface of parts of Lots Three Hundred and Seventy-two (372) and Five Hundred and Fifty (550) according to Registered Plan 1775 York, registered in the Registry Office for the East and West Riding of the County of York, designated as PART FOUR (4) on said Reference Plan being all that part of PART FOUR (4) lying below a horizontal plane having an elevation of five hundred and seventy-seven feet(577') geodetic datum (the said plane being the top of the existing roof slab of the upper basement garage).

As to all of the lands FIRSTLY, SECONDLY, THIRDLY and FOURTHLY above described:

SUBJECT TO and TOGETHER WITH the burden and benefit of all the covenants and conditions of a certain Agreement dated the twentieth day of April, 1970, and made between Cadillac Development Comporation Limited of one part, and London Life Insurance Company, of the other part, which Agreement was registered in the Registry Office for the City of Toronto, on the TH day of AMAY. 1970, as Instrument No. 1/2/175 E.W., and in the Registry Office for the Registry Division of the East and West Riding of the County of York, on the 7/1. day of April, 1970, as Instrument No. 45837f.

MORTGAGES

 Mortgagee
 Registration Date
 and Number

 London Life Insurance Company
 May 2, 1970
 558455 York (112204 E.N.)

AGREEMENTS

Agreement with London Life Insurance Company, registered November 4, 1971, as Instrument Number 572060.

(3) emain parcel or mact of land and promises sinuse, lying and beingshocky partly in the Eorough of York as partly in the City of Toronto, in the County of York, and bing sumps

FIRSTLY:

all of Lots Three Hundred and Seventy-three (373), Three Hundred and Seventy-four (374), Three-Hundred and Seventy-five (375), Three Hundred and Seventy-six (376), Three Hundred and Seventy-seven (377), Three Hundred and Seventy-six (376), Three Hundred and Seventy-seven (377), Three Hundred and Seventy-size (379), Three Hundred and Seventy-size (379), Three Hundred and Eighty-tone (321), Three Hundred and Eighty-tone (321), Three Hundred and Eighty-tone (321), Three Hundred and Eighty-four (382), Three Hundred and Eighty-five (383) and Three and Eighty-four (384), Three Hundred and Eighty-five (385) and Three Hundred and Eighty-four (344), Five Hundred and Forty-one (541), Five Hundred and Forty-six (346), Five Hundred and Forty-five (545), Five Hundred and Forty-six (546), Five Hundred and Forty-seven (547) Five Hundred and Forty-six (546), Five Hundred and Forty-seven (547) Five Hundred and Forty-six (546), Five Hundred and Forty-seven (547), Five Hundred and Fifty-seven (557), Five Hundred and Fifty-five (555), Five Hundred and Fifty-seven (557), Five Hundred and Firty-seven (557), Five Hundred and Fifty-seven (557), Five Hundred and Firty-seven (558) and Five Hundred and Firty-seven (557), Five Hundred and Firty-seven (550), Five

SECONDLY:

the sub-surface of part of Lot Three Hundred and Seven (307), according to Plan 1769 York, registered in the Registry Office for the City of Toronto, designated as PART TWO (2) on said Reference Plan, which is also deposited in the Registry Office for the Registry Division of the City of Toronto as Plan RD-205, being all that part of PART TWO (2) lying below a horizontal plane having an elevation of five hundred and sixty-eight feet (568') geodetic datum (the said plane being the top of the new nine inch (9") roof slab of the upper basement garage).

THIRDLY:

the sub-surface of part of Lot Three Hundred and Seven (307) according to said Plan 1769 York and of parts of Lots One Hundred and Hine (109), One Hundred and Thirteen (113), One Hundred and Fairteen (114), and One Hundred and Fifteen (115), according to Plan 2423 York, registered in the said Registry Office for the City of Tutonto, designated as PART THREE (3) on the said Reference Plans, being all that part of PART THREE (3) lying below an incline plane, the southern extremity of said incline plane having an elevation of five hundred and sixty-eight feet (568') geodetic datum and the northern extremity of suid incline plane having an elevation of five hundred and seventy-two feet (572') geodetic datum (the said plane being the top of the new nine inch (9") roof slab of the upper basement garage).

FOURTHLY:

the surface of parts of Lots Three Hundred and Seventy-two (372) and Five Hundred and Fifty (550) according to said Flan 1775 York, registered in the said Registry Office for the Registry Division of the East and West Riding of the County of York, designated as PART FOUR (4) on said Reference Plan, being all that part of PART FOUR (4) lying above a horizontal plane having an elevation of five hundred and seventy-seven feet (577') geodetic datum (the said plane being the top of the existing roof slab of the upper basement garage).

As to all the lands FIRSTLY, SECONDLY, THIRDLY and FOURTHLY above described:

SUBJECT TO and TOGETHER WITH the burden and benefit of all the covenants and conditions of a certain Agreement dated the twentieth day of April, 1970, and made between Cadillac Development Compensation Limited, of one part, and London Life Insurance Company, of the other part, which Agreement was registered in the Registry Office for the City of Toronto on the 70. day of Agril, 1970, as Instrument No. //2/75 F/V , and in the Registry Office for the Registry Division of the East and West Ridding of the County of York on the 70. day of Agril, 1970, as Instrument No. 57:375

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company May 12, 1970 110203 E.N.

AGREEMENTS

Agreement with Village of Forest Hills, registered January 9, 1967, as No. 102750 E.N. Agreement with London Life Insurance Company, registered May 7, 1970 as Instrument 112175 E.N. (558454 York) Subject to Easement in favour of Bell Canada, as set out in Instrument No. 116138 E.N. registered October 29, 1971.

12. UNIVERSITY CITY

Parcel A-1, in the Register for Section M-1299 Parcel B-1, in the Register for Section M-1299 Parcel C-1, in the Register for Section M-1299 Parcel D-1, in the Register for Section M-1299 being:

All and Singular those certain parcels or tracts of land and premises situate, lying and being in the City of North York, in the Municipality of Metropolitan Toronto and being composed of the whole of Block "h", as shown on Registered Plan Number M-1299, filed in the office of Land Titles at Toronto, the whole of Block B, as shown on said registered plan M-1299, the whole of Block D, as shown on said registered Plan M-1299 and

All AND SINGULAR that certain parcel or tract of land on, fremider situate, lying and being in the Borougn of Arrib Norw, in the Munifolding of Extraordium Toronto, and being emposes of the whole of Block C, according to Flom PHISPS, faled in the Ciffer of Land Titles at Toronto:

SUBJECT to an elsement in favour of the Burough of Nict. York for storm sewers over Part 1 on Plan 8-4150, as set out in 8-40/927;

STATEST to be permanent experient content and the second in perception of the second in the second of the second o

Application 5-10[6]5];

**PURCET to a temporary externot, externot or enough in the raison of contention. In award of the Montentanian of American Contention of Contention of the Montentanian of the Contention of the State of the Montentanian of the Contention of the State of the Montentanian of the M

SUBJECT TO an easement as set out in Instrument No. B 409927.

UNIVERSITY CITY REC CENTRE

Parcel E-1, in the Register for Section M-1299, being that part of Block E, according to Plan M-1299, designated as PART 32, on a Plan of Reference deposited in the Office of Land Titles at Toronto as 66R-5909

SUBJECT TO Notice of Agreement with Hydro-Electric Commission of the Borugh of North York, registered July 12, 1971, as No. B291275;

SUBJECT TO Agreement with Housing Corporation Limited, registered November 20th, 1972, as No. B346856;

SUBJECT TO an Agreement with Urban York Limited, registered September 26, 1973, as No. E391171;

AND SUBJECT TO Notice of Lease with University City Recreation Centre Limited, registered as No. A 424948.

MORTGAGES

Mortgagee	Registration Date	and Number
London Life Insurance Company	January 30, 1973	B355912
London Life Insurance Company	March 29, 1972	B316492
London Life Insurance Company	October 22, 1974	A459026
London Life Insurance Company	May 6, 1970	B261504

AGREEMENTS

Subject to Notice of Agreement with the Borough of North York, registered Instrument No. B240809; Notice of Agreement with Borough of North York, registered January 21, 1974, as No. B-409928; Notice of Agreement with Borough of North York, registered October 27, 1972, as No. B-342478. And Subject to Airport Zoning Regulations.

13. CLINTWOOD COURT

the whole of Parcel 14991-A, in the Register for East Section, Township of York, being in the Borough of North York, in the Municipality of Metropolitan Toronto, being composed of that Part of Block A, as shown on plan M-785, registered in the Land Registry Office for the Land Titles Division at Toronto and being shown on a plan of survey of record in the said Office as Plan R-522, and designated thereon as Part 1.

the whole of Parcel 14991-B in the Register for East Section, Township of York, being in the Borough of North York, in the Municipality of Metropolitan Toronto, being composed of that Part of Block A as shown on Plan M-788, registered in the Land Registry Office for the Land Tirles Division of Toronto and being shown on a Plan of Survey of Record in the said Office as Plan R-522, and designated thereon as Part 2.

SUBJECT TO Plan BA-1664 and Plan BA-1665, under the Boundaries Act.

AND SUBJECT TO an easement in favour of Hydro Electric Commission of the Township of North York, as set out in Instrument No. A68270

MORTGAGES

Mortgagee	Registration Date	and Number
National Trust Company Limited	February 3, 1961	66654
National Trust Company Limited	February 3, 1961	66655

the whole of Parcel D-1, in the Register for Section M-646

The state of the s	
szmon5	1 M-646 D-1 MIT
Ong. State	ADDITION WEST APPLY AND TIMES TIMES TO THE T

SUBJECT TO Plan BA-1666 under the Boundaries Act.

 Mortgagee
 Registration Date
 and Number

 The Canadian Bank of Commerce
 . July 16, 1957
 652857

10 15. MAISONETTE AFARTMENTS ...

FIRSTLY: the whole of Parcel L-1, in the Register for Section M-646, being that part of Block L on Plan M-646, Scarborough, registered in the Land Registry Office for the Land Titles Division of Toronto and York as Part 1 on Plan 668-6740.

ondmaur 3126 & 3192 Section: Two. of Scarbergy accessive #0.8 Section: Twp. of Scarborets	THE DESCRIPTION OF THE STREET WAS A THE STREET WAS DESCRIPTION OF
	SUBJECT TO SUBSECUTED SATALES THIS PARCE. COMPANIES THE FOLIOPING GARD
	AECAL DESCRIPTION
r PIRSTLY:	Notes and I me the merthers. The feet throughout from form to rear of Park ; on Vinter (Error) of Search coupting, facilities for interior Aggistry (Sizes for the man facility Division of Metropolities Toronto (Mo. 46) at Toronto. Division of Metropolities Toronto (Mo. 46) at Toronto. For the Division of Aggistry of The Coltrolation of the Extract of Search Coltrolation of Search
	centre line produced which asid dentre line may be located and describe as including formarity at a point in the vesterly list of said slout, a being a line of the located of Victoria bark acoust, distant early with the southerly list of formarity of the sectorial results of the sectorial parallel to the northerly list of said lists M, and client list of feet and client if feet, and control parallel to the northerly list of said lists M, and client list (feet, measured at right angles southerly therefore 184 feet to a justic; Thence southerly parallel to the gaid easterly lists of Victoria Frank acoust 33 feet to a point; Thence southerly parallel to the gaid easterly lists of Victoria Frank acoust 33 feet to a point; Thence southerly parallel to the gaid easterly lists of Victoria Frank acoust 33 feet to a point;
	SUBJECT TO PREFERENCE OF Light in favour of THE COPPORATION OF THE BOROUGH OF SCARBORCUGH over the morth-west garner of Block M on Flam M-646, as set out in 58tics.
FECONDLY	Next Wang Land all that Deriver her Sight J Union to the arthur of the merivative 126 feet of broughts into from the Land Land Land Land Land Land Land Land
SECONDA DESCRIPES	PLAN \$3.164. A plan under The Boundaries Act registered as PLAN D-13; Confirms part (or all) of the boundaries of this land. See A-83:564. PLAN 8-3-165. A Plan under The Boundaries Act registered as PLAN D-13; confirms part
as to the lands FIRSTLY and	(or all) of the Boundaries of this land. See A-831943.

MORTGAGES

Mortcagee	 Registration Date	and Number
Bank of Montreal	August 8, 1956	623389

AGREEMENTS

Conditions, registered March 18, 1954, as Instrument No. 556126

Agreement with Texaco Canada Limited, registered June 1, 1973, as Instrument No. A392169.

1 16. AINSLEY COURT

In the Borough of Scarborough, in the Municipality of Metropolitan Toronto and being composed of the whole of Block "C", according to a plan registered in the Land Registry Office for the Registry Division of Toronto Boroughs as 4268.

SUBJECT TO Plan BA_1669, under the Boundaries Act.

MORTGAGES

Mortgagee Registration Date and Number

Montreal Trust Company January 3, 1958 212103Scarpor.

AGREEMENTS

Agreement between Township of Scarborough and Robert McClintock, registered December 2, 1952, as No. 110447-Scarborough

CRAIGHTON COURT

FIRSTLY:
or trace of land and premises situate, lying and being in the Foundship ef ALL AND SINGULAR that certain parcel

Scarborough, in the County of York and being composed of all of Lot number Thirty-one (3) and all of Lot Number Thirty-the (32) and part of Lot Thirty-three (33) according to a plan filed in the Registry Office for the Registry Division of the East and West Hidding of the County of York as No. 4562, and which said part Lot 33 is more particularly described as follows: part Lot 33 is more particularly described as follows:
CONTROINO at a point in the morth-westerly limit of Ronnock Street et the south westerly engle of the said Lot 33; THENDE morth easterly slong the said limit of Rennock Street and to 33; THENDE morth easterly slong the said limit of Rennock Street and being a curve to the right having a radius of Six Anadred and Forth One fect and Three and One-quarter inches (641° 34°) a distance of Hins feet and Six Inches (5° 6°) more on less, to a point theoreth distant Rincty Feet and Six Inches (90° 6°) measured south westerly thereelong from the limit between Lots 33 and 34 seconding to the said plan; THITME north westerly in a straight line, One Hundred and Sixty-63x feet and Eight Inches (166° 8°) more on less to a point in the north westerly or rear limit of the said Lot 33 distant One Hundred ond Three Feet (103°) measured south westerly therealong from the said limit between Lots Nos. 33 and 34; THENDE south westerly, along the said rear limit of Lot No. 33, Theory Two Feet (22°) more or less, to the limit between Lots Nos. 33 and 32 according to the set plan; THENDE south easterly along the said limit between Lots Nos. 33 and 32 according to the set plan; THENDE south easterly along the said limit between Lots Nos. 33 and 32 according to the set plan; THENDE south easterly along the said limit between Lots Nos. 35 and 70 one Hundred and Sixty Eight Feet and Four and One Querter Inches (168° 4°) more or less to the place of beginning. beginning.

SECONDLY: Parcel B-1, in the Register for Section M-725

SECTION .	NOLUME	PARCEL E-1	107.0
Crimento 10050	Under Ae-entry and Trus		
Lucianty 11894	the lith line 1972	C 10 10 10 10 10 10 10 10 10 10 10 10 10	
LINE YEAR		mile with an Absolute Title of	1:-
-	frut runt of Block E or Flux 1-775 (boraugh or ho	rth York) registered in the Ci	Crice of land
1	Titles at Toronto, lying east of the following de	scribed line: Commencing at 4	reint in the
-	southerly limit of Biggin Court distant 270 Feet	westerly along said southerly	limit and its
	Troduction casterly from the northerly production	of the easterly limit of the	most easterly
	morning of the said Block B; Thence southerly pe	rallel to the said easterly 1	imit of the
	most e-sterly portion of the said Block b, 150 fe	et; Thence south westerly in	a sirwightline
	197 feet 6} inches more or less to a point in the	south easterly limit of the	most easterly
	merties of twic Slote E distant Aul feet \$2 inche	is measured south wester'v the	rest from the
	south emitorly angle of the said most easterly he	priicn.	

SUBJECT TO Plan BA-1668, under the Boundaries Act.

MORTGAGES

Registration Date and Number Mortgagee July 28, 1957 653081 London Life Insurance Company

CRAIGHTON COURT (continued) THIRDLY: Parcel B-2, in the Register for Section M-725 ... VOLUME i sichon atting a manager Unser Re-entry and Trunufor \$53744 worded under Apr. A-35-939 Com Paymently 11654-A MENTASO = East Born Date name of April (Borough of Botts Fore) registered in the Society of 1 or Dates . is the cover in fee simple with an absolute Title of a sim helicy love to cort of an-discrete of an-country, on 11 and or at reen. Toronto, described as follows: Commencing at a point in the scutner's limit of E. Mir distant 270 feet westerly along said southerly limit and its production exterly from northerly production of the easterly limit of the rist easterly portion of said filip. | thence southurly parallel to the said easterly limit of the rost wasterly continued of Block B 150 Seet; Thence south westerly in a struight line 197 Seet &: inches none co to a point in the southe-storly limit of the most easterly norman of the sero P.co. F I' distunt 400 feet 5% inches measured southwesterly thereon from the southeastern orgin aud most sweterly portion; Thence southwesterly along the last mentioner southwester. 181 feet 114 inches more or less to the intersection with a line organ activate of the to and perpendicular distant 195 feet from the westerly limit of said Block of Tience mortherly along the last said purallel line 325 feet 6% inches none or less to a coint southerly limit of Eiggin Court; Thence easterly along the southerly limit of Eiggin to the point of commencement. Subject to or expensed on Suyour of Victoria Sake UEVELORIA Ill.ITAD, its successors and essigns to enter at all times upon that mart of Block Bio-Aw725 being the easterly 10 feet of the westerly 205 feet in percenticular width of the Block B, extending from the southerly limit of Biggin Court on the said plan to the so easterly limit of Block B, we set out in 650980. Subsect to the mint, license, execuent or mights in the nu

of un desiment in fuseur of THE EUNICIPALITY On ALTHOPOLITIAN TORONTO (hereinafter call "Metrosclitan-Corporation",) to enter at any time aren that part of Block B on Flor bat registered in the Office of Lunc Titles of Toronto, being designated as FANTO 5 and 1. plum of survey of record in the said Office as R-1005, for the surpose of laying coar. feonstructing, maintaining, altering, resairing or reconstructing & sever in, under and I the said lands to be used in connection with the aglinton-Victoria Fark Sanitary Trun-Project of the Retropolitum Componation, and for every such purpose the Retropolities C , shall have access to the said lands at all times by its servants, enclovees and worker For the purpose of mulnializing the said sanatory trunk scher, the lands above on are to remain clear of, and unencompered by buildings or structures, and the said land to remain undisturbed by any work which might injure or demuge the suid semilery trunit being expressly intensed that after such date the owners or occurints of the soid . shull not be entitled to erect or niwce any buildings or structures or corry out any o work thereon, as set out in A-114127.

And under the swid Trunsfer 4-11-177, the owner of the above Change of-221 conser thereto.

MORTGAGES

Registration Date and Number Mortgagee July 31, 1957 654263 The London Life Insurance Company

18. CHARLTON COURT

CHARLTON COURT - NORTH

the whole of Farcel 12241, in the Register for Section East York, being the whole of Lot 3, Plan M-735. North York

CHARLTON COURT - SOUTH

the whole of Parcel 12242, in the Register for Section East York, being the whole of Lot 4, Plan M-735. North York.

MORTGAGES

Mortgagee	Registration Date	and Number
The London Life Insurance Company	January 28, 1959	A27639
The London Life Insurance Company	January 28, 1959	A27640

19. DON RIDGE TOWERS

Parcel or tract of land and premises situate, lying and being in the Township of North York in the County of York and Province of Ontario, and being composed of that part of Block K according to a plan registered in the Registry Office for the Registry Division of the East and West Riding of the County of York as No. 5499, more particularly described as follows:

COMMENCING at a point in the South Western limit of said Block K, distant 175.07 feet North Westerly therein from the Southern angle thereof;

THEMOS North Westerly along the said South Western limit, 178.35 feet;

THENCE North Easterly along a line parallel to the North Western limit of said Block K, 313.77 feet more or less to the North Eastern limit of said Block K;

THEMCE South Easterly along the said North Eastern limit 175.09 feet more or less to the intersection with a line parallel to the aforesaid North Western limit drawn through the point of commencement.

THEMOS South Westerly along the last described parallel line, 312.00 feet more or less to the point of commencement.

SUBJECT TO Plan BA-660, under the Boundaries Act.

MORTGAGES

Mortgagee Registration Date and Number

The Canada Life Assurance Company June 6, 1960

AGREEMENTS

Agreement with Township of North York, registered July 17, 1958, as Instrument no. 284908 North York.

Restrictions running with the land as set out in Instrument No. 370996 North York.

FOREST GROVE

- 20.

FOREST GROVE - NORTH

Ell and Edingular that certain parcel or tract of land and premises simute, lying and being lin the Village of Forest Hill in the County of Fork

In the Village of Forest Hill in the County of Fork

Which said percel may be better known and described as follows:

CONTENCING at the scuthwest angle of Lot 13 aforesaid;

THENOE EASTERLY along the northerly limit of Montelair Avenue 162 feet

of inches to the scutheast angle of said Lot 11;

THENOE NORTHERLY along the easterly limit of Lot 11 aforesaid 120 feet

of inches to the northeast angle of said Lot 11;

THENOE SCUTHERLY along the northerly limit of Lot 11, 12 and 13;

THENOE SCUTHERLY along the westerly limit of Lot 13 aforesaid 120 feet

of inch to the place of beginning.

FOREST GROVE - SOUTH

In the Village of Forest Hill, in the County of York and being composed of all of Lots 20, 21, and 22 according to registered Plan 711 York.

MORTGAGES

 Mortgagee
 Registration Date
 and Number

 Montreal Trust Company
 September 9, 1963
 35931 Forest E

 Montreal Trust Company
 September 11,1963
 35933 Forest E

21. HUMBER RIDGE

- Parcel A-1, in the Register for Section M-715

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of North York, in the Municipality of Metropolitan Toronto (formerly Township of North York, County of York) and being composed of the whole of Block "A" according to a Plan filed in the Office of Land Titles at Toronto, as Plan M-175
SUBJECT TO an easement in favour of City of North York as set out in Instrument No. B 192998.

AND SUBJECT TO Airport Zoning Amendment Agreement.

MORTGAGES

Mortgagee

Registration Date and Number

Central Mortgage & Housing Corporation September 8, 1961 BT0516

AGREEMENTS

Agreement with Central Mortgage & Housing Corporation, registered September 8, 1961, as Instrument No. B70515.

22. MORNINGSTAR

ALL AND SINGULAR that certain parcel or tract of land and premises situate. Jying and being in the City of Mississauga, Regional Municipality of Peel (formerly the Town of Mississauga, County of Peel) and being composed of all of Blocks "C" and "D" according to a Plan registered in the Registry Office for the Registry Division of Peel as Number 804.

SUBJECT to easements in favour of The Bell Telephone Company of Canada and Hydro-Electric Commission of the Township of Toronto (now City of Mississauga) over the aforesaid Blocks "C" and "D" as set out in instrument Number 51610VS.

SUBJECT TO Notice of Toronto Malton Airport Zoning Regulations.

MORTGAGES

Mortgagee Registration Date and Number

Central Mortgage & Housing Corporation November 23, 1970 155552Mississa.

AGREEMENTS

Subject to Operating Agreement with Central Mortgage & Housing Corporation, registered September 28, 1970

Subject to Agreement with Township of Toronto, registered February 22, 1967, as Instrument 33088 V.S. and September 5, 1967, as Instrument No. 50644 V.S.

23. ARBOUR GREEN

The whole of Parcel XX-1, in the Register for Section M-122 being: All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Mississauga, in the Regional Municipality of Peel, (formerly in the Township of Toronto, County of Peel) and being composed of Block XX, according to a plan of subdivision filed in the Land Registry Office for the Land Titles Division of Peel (No.43) as M-122.

SUBJECT TO the rights and easements in favour of Ontario Water Resources Commission, in perpetuity on, in, across, under and through Fart 17, Fish 43R-3281, for the purpose and with the terms and conditions as set out in Instrument 162364 V.S.

AND SUBJECT to an Easement in favour of The Bell Telephone Company of Canada, more particularly set out in Instrument No. 148770.

MORTGAGES

Mortgagee Registration Date and Number
Guaranty Trust Company of Canada October 29, 1979 240645

AGREEMENTS

Agreement with The Corporation of the City of Mississauga, registered February 16, 1976, as Instrument 68249;

Agreement with The Regional Municipality of Peel, registered May 22, 1979, as Instrument 218942;

Agreement with Mississauga Hydro-Electric Commission, registered May 29, 1979, as Instrument No. 219880; and

Agreement with The Regional Municipality of Peel, registered July 14, 1980, as Instrument No. 274704.

24. SIR JOHN'S GLEN

The whole of Parcel E, in the Register for Section M-200 being

All and Singular that certain parcel or tract of land and premises situate lying and being in the City of Mississauga, in the Regional Municipality of Peel and being composed of the whole of Block E, according to a plan of Subdivision filed in the Land Registry Office for the Land Titles Division of Peel as M-318.

AGREEMENTS

Notice of Agreement with Mississauga Hydro-Electric Commission and Bell Canaregistered March 9, 1981, as Instrument 307399; notice of Agreement with Hiram Walker-Consumers Home Ltd., operating as The Consumers' Gas Company, registered April 16, 1981, as Instrument 313811; Notice of Agreement with Citicorp Realty Ltd., registered April 1, 1982 as Instrument 370383.

25: MILLWAY VILLAGE

The whole of Parcel FF-1, in the Register for Section M-199, being

All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Mississauga, in the Regional Municipality of Peel (formerly in the Township of Toronto, County of Feel) and being composed of the whole of Block FF as shown on a Plan of Subdivision filed in the Land Registry Office for the Land Titles Division of Peel as M-199,

SUBJECT TO easements in favour of The Corporation of The Town of Mississaugs more particularly set out in Instruments 174663VS, 147667VS, 174669VS, 174665 and 265356VS.

MORTGAGES

Mortgagee Registration Date and Number Guaranty Trust Company of Canada August 13, 1980 278333

AGREEMENTS

Notice of Agreement with the Corporation of the City of Mississauga, registe: July 21, 1978 as Instrument 182410; Notice of Agreement with The Hydro-Electric Commission of the City of Mississaga and Bell Canada, registered August 8, 1978 as Instrument 184627; Notice of Assignment of Rents with Guaranty Trust Company of Canada, register October 28, 1980 as Instrument 288011.

26. BAY CHARLES

All and Singular that certain percel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and Province of Ontario, more particularly describe: as follows:

Parts of Lots 28, 29, 30, 31, 32, 33, 34, 35, 36 and 67 and Fart of a Lane as closed by the Corporation of the City of Toronto By-Law 376-70 dated the 9th day of December, 1970 and registered on the 5th day of February, 1971 in the Land Registry Office for the Land Registry Division of Toronto (No. 63) for the City of Toronto as Instrument Number 147436EP, all as shown on a Flan registered in the Land Registry Office aforesaid as D-276 and designated as Part 1 on a Plan of Facord in the said Office as 63R-1622 (hereinafter called the "Within Lands"). TOGSTHER WITH the following easements and rights in, over, along and upon lands and premises in the said city of Toronto being composed of Lots 64, 65 and 66 and those Parts of Lots 36, 37, 38, 39, 40 and 67 and Part of a Lane as closed by the Corporation of the City of Toronto By-Law 378-70 dated the 9th day of December 1970 and registered on the 5th day of February, 1971 in the Land Registry Office for the City of Toronto (No. 63) as Instrument Number 147436EP, all as shown on a Flar registered in the Land Registry Office aforesaid as D-276 and designate as Parts 2, 3 and 4 on the said Plan of Record 63R-1622 (hereinafter called the "Adjacent Lands"):

- (a) a permanent right-of-way and easement over Part 2 on the said Plan 63R-1684 on the Second Floor Level for the construction, maintenance and use of a swimming pool, pool deck, lifeguard room and pool equipment room;
- (b) a permanent right-of-way over Part 4 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of a driveway for vehicles;
- (c) a permanent easement over Part 5 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of walkways and recreation areas including playground;
- (d) a permanent easement over Part 6 on the said Plan 63R-1884 on the Ground Floor Level, First Basement Level, Second Baser-Level, Third Basement Level and Fourth Basement Level for the construction, maintenance and use of air shafts;
- (e) a permanent right-of-way and easement over Part 7 on the said Plan 63R-1884 on the Ground Floor Level for a driveway and loading area for pedestrians and vehicles to provide access t garbage disposal facilities;
- (f) a permanent right-of-way over Part 8 on the said Plan 63R-168 on the Ground Floor Level for the construction, maintenance and use of a pedestrian walkway;
- (g) a permanent right-of-way over Part 16 on the said Plan 63R-18 on the First Basement Level for the construction, maintenance and use of a driveway for vehicles;
- (h) a permanent easement over Parts 17 and 18 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use of visitor parking;
- a permanent easement over Part 19 on the said Flan 63F-1884 of the Second Easement Level for the installation, maintenance a use of hydro conduit cables;
- (j) a permanent right-of-way over Parts 20 and 21 on the said Pla 63R-1884 on the Second Basement Level for the construction, maintenance and use of a driveway for vehicles;
- (k) a permanent right-of-way over Parts 24 and 27 on the said Pla 63R-1884 on the Third Basement Level for the construction, maintenance and use of a driveway for vehicles;

- (1) a permanent right-of-way over Part 28 on the said Plan 63R-1884 on the Fourth Basement Level for the construction, maintenance and use of a driveway for vehicles;
- a permanent right-of-way and easement over Part 29 on the said Plan 63R-1884 on the Fourth Basement Level for the construction, maintenance and use of a car wash bay;

AND SUBJECT TO the following easements and rights:

- (a) a permanent right-of-way and easement over Part 1 as shown on a Plan of Record filed in the said Land Registry Office as 63R-1864 on the Second Floor Level for the construction, maintenance and use of a swimming pool, pool deck, corridor to stairs to mechanical room;
- (b) a permanent right-of-way and easement over Part 3 on the said Plan 63R-1884 on the Merzanine Level for the construction, maintenance and use of mechanical room;
- (c) a permanent right-of-way over Part 9 on the said Flan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of Walkways and recreation areas;
- (d) a permanent right-of-way and easement over Part 10 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of a driveway for vehicles and a pedestrian walkway;
- (e) a permanent right-of-way over Part 11 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use of a driveway for vehicles;
- (f) a permanent easement over Parts 12, 13, 14 and 15 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use for visitor parking.

AND TOGETHER WITH:

- (a) a permanent right in the nature of an exclusive easement and in the nature of an exclusive licence over Parts 22 and 23 on said Plan 63R-1864 on the Second Basement Level for the parking of automobiles for the sole benefit of the Within Lands;
- (b) a permanent right in the nature of an exclusive easement and in the nature of an exclusive licence over Parts 25 and 26 on said Plan 63R-1884 on the Third Basement Level for the parking of automobiles for the sole benefit of the Within Lands;

IT BEING UNDERSTOOD AND AGREED that the rights and easements hereinbefore set out are for the benefit of the owners, encumbrancers, tenants and occupants of the Adjacent Lends and the Within Lends and all others entitled to use and enjoy the same from time to time.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company February 1, 1980 CT398877

AGREEMENTS

Agreemen't with The Corporation of the City of Toronto, registered September 25th, 1969, as Instrument No. 144027 EP

AGREEMENTS

Agreement with the Corporation of the City of Toronto, registered September 29, 1970, as Instrument no. 83085EM

Agreement with the Corporation of the City of Toronto, registered February 11, 1971, as Instrument No. 83882 EM

Acreement with the Corporation of the City of Toronto, registered April 3, 1975, as Instrument No. CT 113295

Agreement between The Corporation of the City of Toronto and The Cadillac Fairview Corporation Limited, registered July 8, 1977, as Instrument No. CT 242007;

Agreement between The Cadillac Fairview Corporation Limited and The Corporation of the City of Toronto, registered September 20, 1918, as Instrument No. CT 317943;

Acreement with The Citadel General Assurance Company, registered October 18, 1978, as Instrument no. CT 322766;

Agreement with The Corporation of the City of Toronto, registered November 27, 1978, as Instrument No. CT 330053;

Co-operation Agreement with Pagebrook Multi-Holdings Partnership and Pagebrook Multi-Holdings Inc., registered November 14, 1979 as Instrument No. CT 388066;

Amending Agreement with The Corporation of the City of Toronto, registered January 16, 1981, as Instrument No. CT 453534;

Agreement with The Corporation of the City of Toronto, registered July 23, 1981 as Instrument No. CT 489917.



GREYMAC TRUST COMPANY GREYMAC MORTGAGE CORPORATION

49 Yonge Street, Toronto, Ontario, Canada MSE IJI Telephone 862-0111 Telex 06-22201

August 17, 1982

The Cadillac Fairview Corporation Limited Toronto, Ontario

Dear Sirs:

We hereby authorize you to draw on Greymac Mortgage Corporation and Greymac Trust Company, Toronto, Ontario, up to an aggregate amount of Ten Million (\$10,000,000.00) Dollars available by drafts at sight as follows:

Pursuant to the request of our customer, Greymac Credit Corporation, we, Greymac Mortgage Corporation and Greymac Trust Company, hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of Ten Million (\$10,000,000.00) Dollars which may be drawn upon us by you and which demand we shall honour without enquiring whether you have the right as between yourself and our said customer to make such demand and without recognizing any claim of our said customer.

Drafts drawn under this Credit must be enfaced: "Drawn under the Greymac Mortgage Corporation and Greymac Trust Company, Toronto, Ontario, Letter of Credit dated August 17, 1982 " accompanied by your signed statement that the amount you are claiming is due you by Greymac Credit Corporation.

This Letter of Credit expires on November 16, 1982.

We engage that drafts drawn in conformity with the terms of this Credit will be duly honoured on presentation.

GREYMAC MORTGAGE CORPORATION
Per:
Executive Vice-President

GREIWAC TRUST COMPANY
Per:
Executive Vice-President

Per: Executive Vice-President

SCHEDULE "C" TO THE AGREEMENT OF PURCHASE AND SALE BY THE CADILLAC FAIRVIEW CORPORATION LIMITED

	ect as defined in Schedule "A"	Vendor Mortgage
1.	PARKWAY FOREST	\$ 16,800,000.00
2.	HORIZON HOUSE	2,600,000.00
3.	HORICON VILLAGE	3,800,000.00
4.	SUMMIT PLACE	2,700,000.00
5.	THE TOWNE	9,700,000.00
6.	BRETTON PLACE	7,600,000.00
7.	ROSEDALE EAST	4,600,000.00
6.	HAMPTON HOUSE	3,700,000.00
9.	PARK PLACE	13,800,000.00
10.	GRENADIER SQUARE	6,800,000.00
11.	ROSEBURY SQUARE	5,600,000.00
12.	UNIVERSITY CITY	14,100,000.00
13.	CLINTWOOD COURT	1,200,000.00
14.	IVORDALE	1,300,000.00
15.	MAISONETTE APARTMENTS	1,900,000.00
16.	AINSLEY COURT	800,000.00
17.	CRAIGHTON COURT	1,800,000.00
18.	CHARLTON COURT	1,750,000.00
19.	DON RIDGE TOWERS	650,000.00
20.	FOREST GROVE	1,600,000.00
21.	HUMBER RIDGE	nil
22.	MORNINGSTAR	nil
23.	ARBOUR GREEN	2,000,000.00
24.	SIR JOHN'S GLEN	2,200,000.00
25.	MILLWAY VILLAGE	4,000,000.00
26.	BAY CHARLES	1,600,000.00

SCHEDULE "D" TO THE AGREEMENT OF FURCHASE AND SALE BY THE CADILLAC FAIRVIEW CORPORATION LIMITED

- 1. Arbour Green ad defined in Schedule "A"
- 2. Millway Village as defined in Schedule "A"
- 3. Bay Charles as defined in Schedule "A"





AJAN C 83R24

Report of the Special Examination by James A. Morrison F.C.A.

of

CROWN TRUST COMPANY
GREYMAC TRUST COMPANY
SEAWAY TRUST COMPANY
GREYMAC MORTGAGE CORPORATION
AND
SEAWAY MORTGAGE CORPORATION

to

The Honorable Robert G. Elgie M.D.

Minister of Consumer and Commercial Relations

Province of Ontario

June 1983





REPORT OF JAMES A. MORRISON F.C.A.

to the Minister of Consumer and Commercial Relations, pursuant to Section 152 of the Loan and Trust Corporations Act, R.S.O. 1980, Chapter 249.



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\$10 million letter of credit issued by Greymac Trust and Greymac Mortgage in the Cadillac Fairview transaction





GREYMAC

GREYMAC TRUST COMPANY GREYMAC MORTGAGE CORPORATION
49 Yonge Street, Toronto, Ontario, Canada M5E 1]1 Telephone 862-0111 Telex 06-22261

August 17, 1982

The Cadillac Fairview Corporation Limited Toronto, Ontario

Dear Sirs:

We hereby authorize you to draw on Greymac Mortgage Corporation and Greymac Trust Company, Toronto, Ontario, up to an aggregate amount of Ten Million (\$10,000,000.00) Dollars available by drafts at sight as follows:

Pursuant to the request of our customer, Greymac Credit Corporation, we, Greymac Mortgage Corporation and Greymac Trust Company, hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of Ten Million (\$10,000,000.00) Dollars which may be drawn upon us by you and which demand we shall honour without enquiring whether you have the right as between yourself and our said customer to make such demand and without recognizing any claim of our said customer.

Drafts drawn under this Credit must be enfaced: "Drawn under the Greymac Mortgage Corporation and Greymac Trust Company, Toronto, Ontario, Letter of Credit dated August 17, 1982 " accompanied by your signed statement that the amount you are claiming is due you by Greymac Credit Corporation.

This Letter of Credit expires on November 16, 1982.

We engage that drafts drawn in conformity with the terms of this Credit will be duly honoured on presentation.

GREYMAC MORTGAGE CORPORATION

Per:

Executive Vice-President

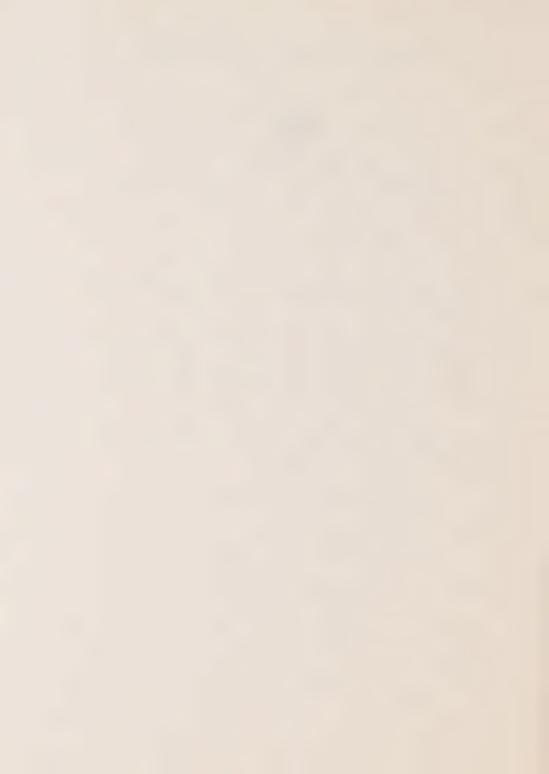
GREYMAC TRUST COMPANY

Per:

Executive Vice-President

Per:

Executive Vice-President



Agreement dated August 12, 1982 (executed November 6, 1982), between Branco Weiss and Greymac Credit re commitment of up to \$40 million to Greymac Credit in Cadillac Fairview transaction



MEMORANDUM OF AGREEMENT made as of the 12th day of

Augúst, 1982.

BETWEEN:

BRANCO WEISS, of the City of Zurich, Switzerland

Hereinafter called the "Lender"

OF THE FIRST PART;

and

GREYMAC CREDIT CORPORATION, a body politic and corporate, incorporated under the laws of the Province of Ontario, and having its Head Office at the City of Toronto, in the Province of Ontario,

Hereinafter called the "Company"

OF THE SECOND PART;

WHEREAS the Company proposes to acquire the real estate and other property and assets (collectively the "Properties") described in that certain agreement to be entered dinto dated the 24th day of August, 1982 between the Company and The Cadillac Fairview Corporation Limited (the "Purchase Agreement"), the whole on the terms and subject to the conditions of the Purchase Agreement;

AND WHEREAS, to assist the Company to acquire the Properties and to pay the purchase price therefor, the Company requires execution of this agreement by the Lender;

AND WHEREAS the Lender, in consideration for the stand-by charge and the other covenants and agreements of the Company herein contained, is willing to make money available to the Company, on the terms and subject to the conditions herein provided for.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the covenants and considerations hereinafter set forth, the Parties hereto have agreed as follows:

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- For purposes of this agreement "Deficiency" means the aggregate amount by which from time to time the Company for any reason whatsoever (including, without limiting the generality of the foregoing, insufficiency of operating revenue whether attributable to default of the Company in performing any of its agreements herein contained or otherwise) and whether or not caused by or resulting from any act, omission or circumstance within or without the control of the Lender or the Company, shall fail or be unable to make payment in full in cash, promptly as and when the same shall become due (whether on a declaration or at maturity or otherwise) of any and all amounts at any time and from time to time required to be paid by the Company to its creditor or creditors under or pursuant to the Purchase Agreement, including, without in any way limiting the foregoing, any and all amounts at any time and from time to time required to be paid by the Company under any and all indebtedness created, assumed and/or guaranteed by the Company in connection with its acquisition of the Properties, whether under the Purchase Agreement or otherwise; provided, however, that the aggregate of all amounts required to be provided by the Lender to the Company hereunder shall in no event exceed the sum of Two Hundred and Seventy-five Million Dollars (\$275,000,000.00) in lawful money of Canada; and, where the context requires , "Deficiency" shall include, any Deficiency anticipated by the Company.
- 2. If at any time and from time to time after the date hereof a Deficiency shall occur or be anticipated, the Lender shall provide promptly to the Company cash equal to such Deficiency. Nothing herein contained shall prevent or be deemed to prevent the Lender or any other person, firm or corporation from making or causing to be made loans or other advances to the Company and from taking in consideration therefor such evidence of indebtedness under such terms and conditions as may be agreed upon between the Company and the Lender or such other person, firm or Corporation, as the case may be.
- The Company shall give notice in writing to the Lender not less than 15 days before each payment by the Company falls due in respect of which a Deficiency exists or is anticipated (hereinafter called the "Notice of Deficiency") specifying the nature and date of such payment, the details and total amount of such Deficiency and the amount thereof payable, and thereupon, not less than two (2) business days immediately prior to the date when such payment falls due the Lender shall pay to the Company a sum sufficient to discharge such Deficiency, provided that failure by the Company to give such Notice of Deficiency shall not in any way relieve the Lender from its obligations hereunder to provide promptly to the Company, cash equal to such Deficiency on receipt of notice or knowledge

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thereof. The payment by the Lender to the Company of the amount of such Deficiency shall be in consideration of the issue to the Lender by the Company of promissory notes of the Company in an aggregate principal amount equal to the principal amount of such Deficiency, repayable on the seventh anniversary date of such payment by the Lender to the Company, bearing interest at the rate of 18% per annum, payable annually in arrears on each anniversary date of such payment by the Lender. The Lender shall not assert any right of compensation or set-off against the Company which would reduce the obligations of the Lender hereunder.

- 4. Any and all amounts paid to the Company pursuant to paragraph 3 hereof shall be applied by the Company towards the payment or payments with respect to which Notice of Deficiency shall have been given.
- In consideration for the agreement of the Lender to make money available to the Company hereunder, the Company hereby agrees to pay to the Lender, forthwith upon execution of this Agreement, a stand-by charge of \$20,000,000.00 in lawful money of Canada which stand-by charge has been computed as follows:
 - (a) as to the sum of \$40,000,000. required to be paid by the Company to Cadillac Fairview Corporation Limited upon the acquisition of the Properties, 10% of such amount;
 - (b) as to the \$90,000,000. principal amount of the first mortgage on the Properties, which is repayable over a period of five years following the acquisition of the Properties and which shall be assumed by the Company upon its acquisition of the Properties, 2/3 of 1% of such principal amount per year for a period of five years; and
 - (c) as to the \$145,000,000. principal amount of the balance of sale price payable by the Company to Cadillac Fairview Corporation Limited over a period of six years following the acquisition of the Properties, 1-1/2% of such principal amount per year for a period of six years.
 - 6. The obligations of the Lender and of the Company hereunder shall be several, independent and continuing obligations and a fresh cause of action shall be deemed to arise whenever and so often as the Lender and/or the Company shall commit any

.

breach of or be in default under any of its or their covenants or obligations hereunder.

- The obligations and liabilities of the Lender hereunder shall not be released, discharged or in any way affected by the winding-up or dissolution of the Company; by any release, discharge, loss or alteration in or dealing with any of the property of the Company; by anything done, permitted or omitted in relation to, or any compromise, arrangement or plan of reorganization affecting the Company or any of its securities or property; by time or grace being given to the Company; by any change, alteration or modification of, or by any other act or proceeding in relation to the Purchase Agreement, or by anything done, permitted or omitted in relation to, or any compromise, arrangement or plan of reorganization affecting, any one or more of the Company or any successor companies or their respective securities or properties.
- 8. The Company covenants and agrees with the Lender that to the extent that there are funds available in its hands or reasonably obtainable by it, it will so manage its affairs that Deficiencies will not arise.
- 9. The Company's failure to comply with any of the provisions of this agreement shall not in any way relieve the Lender of any of its obligations or liabilities under this agreement.
- 10. It is the intent of the parties hereto that notwithstanding the occurrence or existence of any event or circumstance which, but for this paragraph, would frustrate or might be held to frustrate this agreement, the obligations and liabilities of the Lender under this agreement shall continue in full force and effect as if such event or occurrence had not occurred or existed.
- 11. Any notice required or permitted to be given hereunder may be given by prepaid registered mail or by telex or telegram addressed to the party for whom it is intended as follows:

10	tne	Lender, a	t		-	
То	the	Company,	49	Yonge	Street	

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or by delivering such notice at the above mentioned address of such party and any notice given by mail as aforesaid shall be deemed to have been given on the date when it would have reached post and if delivered shall be deemed to have been given on the date of delivery and if telexed or given by telegram shall be deemed to have been given on the deemed to have been given on the date when such telex or telegram from time to time, change its address by notice in writing to the other party hereto.

- 12. This agreement shall be binding upon the parties hereto and their respective successors and assigns. This agreement may not be assigned by either party without the prior written consent of the other party which consent may be arbitrarily withheld.
- 13. This agreement shall expire as soon as all indebtedness created, assumed and/or guaranteed by the Company in connection with the acquisition of the Properties shall have been paid in full in accordance with their respective terms, but no such termination shall affect the liability of the Company to repay adavances made by the Lender hereunder in accordance with the provisions hereof and of the promissory notes of the Company and the security therefor.
- 14. This agreement has been made in the Province of Ontario and for all purposes shall be construed in accordance with and governed by the laws of said Province.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto at Toronto.

Witness:

Witness:

Branco Weiss
GREYMAQ CREDIT CORPORATION

ranco Win'in

Bv

GREYMAC CREDIT CORPORATION

COMPOSITION OF STANDBY FEE TO BE PAID W/I THREE MONTHS OF AGREEMENT DATE (AUG/82)

Composition of Standby Fee

Cash Advance: Standby

\$ 40,500,000.00 @ 10%

\$ 4,050,000.

Obligation: Standby

Re: Balance of Sale Due to CF

\$ 144,500,000.00 @ 1-1/2% for 6 years

13,000.000.

Re: First Mortgage

\$ 90,000,000.00 @ 2/3 of 1% for 5 years

3,000,000.

\$ 20,050.000.

Statement showing composition of Weiss' standby fee



AGREEMENT OF PURCHASE AND SALE

BETWEEN:

KILDERKIN INVESTMENTS LTD., IN TRUST, a corporation incorporated under the laws of the Province of Ontario.

hereinafter called the "Purchaser"

OF THE FIRST PART,

- and -

GREYMAC CREDIT CORPORATION, a corporation incorporated under the laws of the Province of Ontario,

hereinafter called the "Vendor"

OF THE SECOND PART,

WITNESSETH THAT:

IN CONSIDERATION of the mutual covenants and agreements herein contained and for other good and valuable consideration:

ARTICLE I

DEFINITIONS

- 1.01 IN THIS AGREEMENT, the following words or phrases shall have the following meanings:
 - (a) "Adjustments" means without restricting the generality thereof, taxes, local improvement charges, rates, liens or levies, water and sewer rates and charges, rentals and recoveries, rental deposits, utility deposits, employment and service contracts, utilities, fuel, mortgage interest, maintenance supplies and all other matters usually adjusted in similar transactions;
 - (b) "Authority" means any governmental authority, body, agency, department, whether federal, provincial or municipal, and any board of fire underwriters having or claiming jurisdiction over the Property;
 - (c) "Building" means the existing apartment buildings as set out in Schedule "A" hereto, including the heating, air conditioning, plumbing,

electrical, elevators, ventilating, boilers, compressors, transformers, drainage and other mechanical systems and equipment comprising part thereof and other improvements owned by the Vendor presently erected in or upon the Lands;

- (d) "Chattels" means the chattels and equipment and other tangible personal property located in each building and owned and used by the Vendor in its operation and maintenance of the Property, including refrigerators, stoves, existing storms and screens, broadloom where laid and owned by the Vendor, drapes where owned, maintenance equipment, supplies and any washing machines and dryers located in the laundry room;
- (e) "Chattel Mortgage" means the chattel mortgage, if any, given as collateral security to the mortgagee in respect of the First Mortgage;
- (f) "Closing" or "Closing Date" means the 8th day of November, 1982, or such earlier or later date as may be agreed to in writing by the parties or their respective solicitors;
- (g) "First Mortgage" means the first mortgage with respect to each Building as set forth for such Building on Schedule "A" hereto;
- (h) "Second Mortgage" means a mortgage to The Cadillac Fairview Corporation Limited in the approximate amount for each building and containing the terms as set forth on Schedule "B" hereto;
- (i) "Lands" means the parcels of land more particularly described in the legal description annexed to this Agreement as Schedule "A", together with all easements, rights-of-way, privileges and appurtenances belonging to and enuring to the benefit thereof;
- (j) "Leases" means the leases to the Tenants, including all commercial leases;
- (k) "Permitted Encumbrances" means:

- (i) the First Mortgage and any assignment of Leases collaterally securing the repayment thereof;
- (ii) any chattel mortgage held by the First Mortgagee secured on the appliances constituting additional security to the realty mortgage;
- (iii) the Leases;
- (iv) the agreements, if any, with adjoining property owners to share costs of common facilities, if any;
- (v) those agreements, if any, which are set out in Schedule "A" attached hereto; and
- (vi) existing easements,
 rights-of-way and appurtenances;
- (vii) the Second Mortgage.
- (1) "Property" means collectively the Chattels, the Building(s) and the Lands;
- (m) "Tenants" means the tenants and occupants of the Property;
- (n) "Systems" means the roof, supports, bearing walls, floors, foundations, garbage disposal and fire protection systems, mechanical and electrical systems owned by the Vendor and used by it in its operation and maintenance of the Buildings, including, without limitation, elevators and the heating, boiler, ventilating, air conditioning, electrical, sprinkler, drainage and plumbing systems;
- (o) "Service Contracts" means any services, superintendents, maintenance, laundry, cable T.V., elevators or any other contracts affecting the Property;

(p) "Land Leases" means any leases pursuant to which the Vendor has possession of the Lands comprising part of the Property. .

ARTICLE II

PURCHASE OF PROPERTY

- 2.01 The Purchaser agrees to purchase and the Vendor agrees to sell the Property for a Purchase Price in lawful money of Canada of \$292,500,000.00 payable as follows:
 - (a) A deposit to the Vendor in the sum of One Thousand Dollars (\$1,000.00) to be held in trust by it pending completion of this Agreement, and to be credited to the Purchase Price on closing;
 - (b) by the assumption of the principal and interest outstanding under the First Mortgage as at the Closing Date;
 - (c) by the Purchaser, or a designee, executing the Second Mortgage;
 - (d) by the payment of the balance by certified cheque on closing;
 - (e) all adjustments on closing will be reflected in the amount of the Second Mortgage.
- 2.02 . The Purchaser agrees to pay to the Vendor in addition to the sum set forth in 2.01 hereof, in consideration of the Vendor making available its covenant on the Second Mortgage the sum of \$20,000,000.00 which sum shall be paid by certified cheque on closing.

ARTICLE III

PURCHASER'S EXAMINATION

- 3.01 The Vendor covenants and agrees to deliver to the Purchaser within five (5) days following the Acceptance Date:
 - (a) a current rent roll prepared of all of the Leases disclosing details of rentals, prepaid rentals and termination dates of all Leases;
 - (b) such surveys of the Lands and Building(s) as the Vendor has in its control and possession;

- (c) copies of all Land Leases and Commercial Leases:
- (d) copies of Financial Statement of Operations pertaining to the Property for the period ending February 28, 1982.
- 3.02 The Vendor agrees to arrange for the Purchaser and the Purchaser's authorized representatives to gain access to:
 - (a) the property from time to time upon reasonable prior notice to the Vendor during business hours following the Acceptance Date and to carry out at the sole expense and risk of the Purchaser such reasonable tests and inspections as the Purchaser or its authorized representatives may deem necessary so long as the Tenants are not disturbed thereby and so long as the Purchaser makes good any damage occasioned thereby;
 - (b) the proof of out-of-pocket expenses paid to third parties including tax bills, utilities charges, oil and gas and to take copies of all relevant information relating thereto as to the operation of the Property.

ARTICLE IV

WARRANTIES AND REPRESENTATIONS

- 4.01 The Vendor warrants and represents:
 - (a) That it is not aware of any material work orders outstanding or pending by any Authority which the Vendor is not complying with or has not complied with. If there are any work orders outstanding or pending by any Authority of which the Vendor is not aware, the Vendor shall comply with same prior to the Closing Date. In the event that any work order is issued by any Authority between the date hereof and the Closing Date, the Vendor shall be responsible for complying with such work order; provided the

cost to the Vendor of such compliance does not exceed \$5,000,000.00. (The cost of compliance shall herein be referred to as "Work Order Compliance Cost"). In the event that the Work Order Compliance Cost exceeds \$5,000,000.00, the Vendor shall be responsible for the payment of the first \$5,000,000.00 thus incurred and the Purchaser shall be responsible for any sum in excess of \$5,000,000.00. The Vendor shall commence compliance with any work order issued by any Authority between the date hereof and the Closing Date, prior to closing upon receipt of the notice of such work order and to proceed expeditiously to comply with such work order. In the event that the Vendor does not commence to comply with such work order prior to closing or in the event that it is not proceeding expeditiously to comply with such work order, the Purchaser shall give notice in writing to the Vendor that is is in default of its obligations hereunder and if such default shall continue for five (5) business days from receipt of the notice to the Vendor, the Purchaser shall be entitled to comply with such work orders as are set forth in the notice of default to the .Vendor and upon completion thereof, the Purchaser shall deliver a receipt for payment with respect to complying with the work order whereupon the Vendor shall forthwith reimburse the Purchaser for the aforesaid cost up to the aforesaid limit of \$5,000,000.00;

- (b) that the Property or the existing use thereof does comply with any relevant by-law, orders, regulations or statutes of any Authority or is a legal non-conforming use;
- (c) the Vendor has good title, power, and absolute authority to convey the Property to the Purchaser on Closing in accordance with the intention of this Agreement free and clear of all encumbrances save for the Permitted Encumbrances subject to completion of its transaction to purchase Property from The Cadillac Fairview Corporation Limited;

- (d) at the Closing Date, the Vendor will not be a non-resident of Canada for the purposes of The Income Tax Act;
- (e) at Closing, the Leases and Chattels shall not have been asssigned or otherwise encumbered save as collateral security to the First Mortgage
- (f) the Leases are and shall be on Closing valid and subsisting and constitute the entire and only agreements with the Tenants;
- (g) no Tenant is or shall be entitled to any concession, rebate, allowance or rent-free period after Closing with respect to the occupancy of its premises other than as stipulated in its Lease and that the residential rents as shown on the rent roll produced by the Vendor to the Purchaser, are legally chargeable under the provisions of the applicable rent review legislation;
- (h) that the Vendor is and shall be on Closing in good standing under the applicable Land Leases;
- (i) no Tenant or any other person has or will have at Closing any right of first refusal or option to purchase the Property or any part thereof:
- (j) that the number of suites sold to the Purchaser pursuant to the terms hereof and included in the Property is 10,931 and that the rent roll and the Statement of Financial Operations pertaining to the Property as delivered pursuant to Paragraph 3.01 (d) hereof are presented fairly in accordance with generally accepted accounting principles;
- -(k) that there shall not be outstanding against the Property as at Closing Date any capital

levies, sewer impost fees, special assessments of a capital nature or any other similar charges.

The Vendor represents and warrants, which representations shall survive the closing of this transaction for a period of six (6) months, that the Systems, as at the Closing Date, are in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred. In the event that within six (6) months of the Closing Date the Purchaser shall deliver to the Vendor a report in writing from an independent Consulting Engineer, employed by the Purchaser, indicating that such building is not in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, and defining the nature of the lack of repair as aforesaid and setting out an estimate of the cost to bring such Systems into a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, (hereinafter called "the Work") the Vendor, if it accepts such report, shall within fifteen (15) business days notify the Purchaser in writing that it will cause the required Work to be undertaken at his expense or the Vendor will pay the Purchaser the amount estimated for such Work. In the event the Vendor does not give such notice, the Purchaser shall be entitled to complete the Work and upon the completion thereof to deliver a receipt for payment of the Work and the Vendor shall thereupon forthwith reimburse the Purchaser for the cost of the Work. In the event that the Vendor does not accept the aforesaid report, it shall notify the Purchaser in writing within fifteen (15) business days of receipt of the report that the Vendor is retaining another independent Consulting Engineer to supply a report as to whether the Systems which are the subject matter of the report in dispute are in a good state of . repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred (and the Purchaser agrees to permit such professional engineer to have all necessary access to such building in order to supply such report). In the event that the report from the Vendor's Consulting Engineer shall indicate a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, the question of whether the Systems which is the

subject matter of the report is in good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred shall be referred to arbitration pursuant to the Arbitration Act, R.S.O. 1980. Each party shall nominate one arbitrator and the two nominated arbitrators shall appoint the third arbitrator. In the event that there is any report as aforesaid or any arbitration decision that the Systems as at the Closing date are not in a good state of repair subject to normal wear and tear bearing in mind the age of the building provided that reasonable maintenance has occurred, the Purchaser agrees that the Vendor's liability hereunder shall in no event exceed \$5,000,000.00 in the aggregate less the amount of any Work Order Compliance Cost.

ARTICLE V

VENDOR'S CLOSING DOCUMENTS

- 5.01 The Vendor covenants and agrees to deliver the following to the Purchaser on or before Closing:
 - (a) a registrable deed conveying title to the Lands and Buildings if the Vendor's interest therein is Freehold and an Assignment of Lease if the Vendor's interest is a leasehold interest, together with the Landlord's consent, if necessary, to such assignment;
 - (b) a registrable Bill of Sale conveying title to the Chattels to the Purchaser;
 - (c) evidence of compliance with the Bulk Sales Act of Ontario from the present registered owner;
 - (d) a general assignment of the Leases to the Purchaser;
 - (e) Directions advising the Tenants of the sale of the Property and directing and authorizing them to pay their rent to the Purchaser or as the Purchaser otherwise directs from and after Closing;

- (f) the originally signed Leases or photocopies where the original Leases are not available;
- (g) a Mortgage Statement confirming that the First Mortgage is in good standing;
- (h) a Statutory Declaration of an officer of the present registered owner having knowledge of the facts declared, wherein he declares as to the registered owner's possession and use of the Property to Closing;
- (i) a Statutory Declaration of an officer of the present registered owner having personal knowledge of the facts declared, wherein he declares that the present registered owner is the beneficial owner of the Property and the declaration of the Vendor that it is not a non-resident of Canada within the meaning and intended purpose of Section 116 of the Income Tax Act (Canada);
- (j) evidence satisfactory to the Purchaser that all realty taxes not provided for in the Adjustments have been or will be paid to the Date of Closing;
- (k) an assignment of all outstanding guarantees, warranties, and indemnities relative to the Building or the Property in possession of the Vendor, if any;
- (1) master keys;
- (m) copies of Land Leases;
- (n) written consent from Head Lessors pursuant to Land Leases which require such consent to this sale transaction;
- (o) as-built architectural drawings that are in the Vendor's possession;

- (p) written acknowledgment from commercial Tenants as to the status of Leases, in form acceptable to the Purchaser, or statutory declarations in the event that a Tenant has not executed an acknowledgment;
- (q) the shares in University City Recreation Centre Limited endorsed and assigned over to the Purchaser or as directed.
- 5.02 All documents to be executed and delivered by the Vendor to the Purchaser on Closing shall be in form and substance satisfactory to the Purchaser's solicitors acting reasonably.
- 5.03 . All documents required to be produced by the Vendor at Closing shall be prepared and produced by and at its expense save that the cost of registering any document shall be at the Purchaser's expense. Any tender of money or document pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque certified by a Canadian chartered bank.

ARTICLE VI

CONSENT

- 6.01 The Purchaser acknowledges that the Vendor will be providing a leasehold interest only in certain of the Lands as indicated on Schedule "A" and that the Purchaser will acquire such leasehold interest and not a freehold interest of such lands, and that it may be necessary under the Land Lease to obtain the consent of the Landlord to the Assignment of the Leasehold interest. The Purchaser covenants and agrees to supply all information including a financial statement, as the Landlord may reasonably require, and to execute such agreements as the Landlord may reasonably require, including an agreement by which the Purchaser covenants and agrees to observe and perform the covenants contained in such Land Lease.
- 6.02 The Purchaser acknowledges under the terms of the First Mortgage for some of the Buildings that the consent of the First Mortgagee may be first required before either the

mortgage can be assumed and/or the Purchaser obtains title. The Purchaser covenants and agrees to supply a financial statement and to execute and deliver such agreements as the Mortgagee may reasonably require including an agreement to assume the mortgage and to observe and perform the covenants contained in such mortgage.

pursuant to Clauses 6.01 and 6.02 herein is not available by Closing with respect to any Building, the Closing with respect to such Building shall be postponed for an additional sixty (60) days to enable the Vendor to obtain such consent and the transaction herein shall close with respect to the balance of the Buildings on the Closing Date with the Purchase Price being abated based on the number of apartment units contained in each Building for which the Closing is being postponed and should the consent not be obtained by the Closing Date as postponed, the Agreement with respect to such building shall be terminated and neither Party shall have any further rights or obligations.

Provided however if the consent of the mortgagee is not obtained with respect to either building described in Schedule "A" as Humber Ridge or Morningstar, the abatement of the Purchase Price shall be calculated on the basis of Twenty Thousand Dollars (\$20,000.00) per apartment unit contained in such building; and after closing, should the consent of such First Mortgagee not be obtained within the aforesaid 60 days, the parties hereto agree that the amount of abatement of the Purchase Price to be attributed to such building or buildings shall be determined by arbitration in accordance with the arbitration provisions as contained in Clause 4.02 hereof. In the event that the arbitration award is calculated at a price per apartment unit of an amount:

- (a) less than Twenty Thousand Dollars (\$20,000.00) per unit, the Purchaser shall pay to the Vendor a sum calculated by multiplying the difference between the sum of Twenty Thousand Dollars (\$20,000.00) and the award, which sum shall be paid within ten (10) business day of the award; or
- (b) more than Twenty Thousand Dollars (\$20,000.00) per unit, the Vendor shall pay to the Purchaser a sum calculated by multiplying the number of units in such

building or buildings by the difference between the sum of Twenty Thousand Dollars (\$20,000.00) and the award, which sum shall be paid within ten (10) business days of the award.

- 7.01 The Purchaser covenants and agrees to deliver the following on closing:
 - (a) assignment of the land lease for any Leasehold interest being acquired by the Purchaser which assignment shall contain the Purchaser's covenant to observe and perform the covenants and obligations of the lessee under the land lease being assigned and to indemnify and save the registered owner/holder harmless with respect to such land lease;
 - (b) an agreement to assume the present registered owner's obligations with respect to those agreements registered on the title to the lands or those agreements affecting the operation of any Building under which the present registered owner has been performing ongoing obligations and which the Vendor has brought to the Purchaser's attention. The Purchaser shall covenant and agree to observe and perform the covenants under such agreements and to indemnify and save the Vendor harmless with respect thereto;
 - (c) such reasonable agreements as may be required by any mortgagee with respect to the First and Second mortgages being assumed by the Purchaser hereunder.
 - (d) an agreement to observe and perform the Lessee's covenants under any of the Leases being assigned to the Purchaser and without limiting the generality of the foregoing, to observe and perform all the obligations of the present registered owner as Landlord with respect to leases of commercial space within the Buildings, and to indemnify and save the Vendor harmless with respect thereto.

ARTICLE VII

TITLE

- 8.01 The Purchaser is to be allowed until
 Closing Date in which to examine title to the Property at
 its own expense and if within that time any valid objection to
 title is made in writing to the Vendor which the Vendor shall
 be unable to remove and which the Purchaser will not waive,
 this Agreement shall, notwithstanding any intermediate acts or
 negotiations with respect to such objections, be null and void
 and the deposit shall be returned immediately to the Purchaserr
 and neither party shall have any further rights or obligations
 hereunder.
- 8.02 The Vendor's title to the Property shall be marketable and free from all liens, charges, encumbrances and interests, except for the Permitted Encumbrances and except as to: (i) any registered restrictions and covenants that run with the Lands provided same are complied with and do not interfere with the usage and occupation of the Property; (ii) municipal requirements, including building and zoning by-laws, provided such registered covenants and municipal requirements have been complied with; (iii) easements; and (iv) agreements with the municipality affecting the Property provided that there is no default thereunder.

Purchaser shall not call for the production of any title deed, abstract of title or other evidence of title other than such as may be in the Vendor's possession or under its control.

8.03 This Agreement is entered into subject to the express condition that it is to be effective only if the provisions ofSection 29 of the Planning Act, R.S.O. 1980, Chapter 379, and amendments, are complied with.

ARTICLE IX

RISK BEFORE CLOSING

9.01 The Property shall be and remain at the present registered owner's risk until Closing and the Parties acknowledge that the present registered owner shall hold all

fire insurance policies and the proceeds thereof in trust for the parties as their respective interests may appear pending Closing. If the Property is damaged on or prior to Closing, the Purchaser shall complete the purchase of the Property and the present registered owner shall at its own expense immediately repair the damage in a good and workmanlike manner and the parties hereto, as required shall release their interest in the insurance proceeds, if any, payable in respect thereto.

ARTICLE X

GENERAL

- 10.01 The parties agree that there are no covenants, representations, warranties, collateral agreements or conditions affecting this Agreement other than is expressed in writing in this Agreement. The schedules attached to this. Agreement shall have the same force and effect as if the information contained therein was contained in the body of this Agreement.
- 10.02 The Vendor's representations, covenants, warranties (except as provided in Paragraph 4.02 hereof), and agreements contained in this Agreement shall not survive but shall merge on the Closing with the Transfer of Title.
- 10.03. The Purchaser or any party taking title to the property shall not be a non-eligible person within the meaning of the Foreign Investment Review Act and the Purchaser shall deliver the opinion of the Purchaser's counsel as to that company and the opinion of counsel for the parties taking title to the property as to this effect on closing.
 - 10.04 Time shall in all respects be of the essence of this Agreement and each and every part thereof.
 - 10.05 Any notice to be given or document to be delivered to the Vendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at 49 Yonge Street, 2nd Floor, Toronto, Ontario. Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid

registered mail to it at at 165 Dundas Street West, Mississauga, Ontario. Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second business day next following the day of mailing if sent by prepaid registered mail.

- 10.06 This Agreement of Purchase and Sale shall be read with all changes of gender and number required by the context and shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 10.07 This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.
- 10.08. This Agreement, if not executed by all parties by five o'clock in the afternoon E.D.T. on the 4th day of November, 1982, shall be null and void and the deposit shall be returned immediately to the Purchaser without deduction.
- 10.09 This transaction shall be completed on the Closing Date from and after which date the Purchaser shall be entitled to receive all rents and profits and shall bear all expenses pertaining to the Property.
- 10.09 The Purchaser may not assign this agreement however, the Vendor agrees to accept a direction from the Purchaser as to the manner in which title is to be taken for any Property.
- 10.10. This agreement and the Vendor's obligations hereunder are conditional upon the Vendor's completion of its purchase transaction with respect to the property from the Cadillac Fairview Corporation Limited and in the event of non-completion

thereof this agreement shall be null and void and the deposit returned to the Purchaser.

IN WITNESS WHEREOF the Purchaser has executed this Agreement under its corporate seal, duly attested to by the hand of its proper officer duly authorized in that behalf, this 2nd day of November, 1982.

KILDERKIN INVESTMENTS LTD., IN TRUST

Per.

THE UNDERSIGNED hereby accepts the above Offer.

IN WITNESS WHEREOF the Vendor has executed this Agreement under its corporate seal, duly attested to by the hand of its proper officer duly authorized in that behalf this 4th day of November, 1982.

Per:

SCHEDULE "A" TO THE AGREEMENT OF PURCHASE AND SALE BY THE CADILLAC FAIRVIEW CORPORATION LIMITED

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
- 8. HAMPTON HOUSE
- 9. PARK PLACE
- 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
- 12. UNIVERSITY CITY
- 13. CLINTWOOD COURT
- 14. IVORDALE
- 15. MAISONETTE APARTMENTS
- 16. AINSLEY COURT
- 17. CRAIGHTON COURT
- 18. CHARLTON COURT
 - 19. DON RIDGE TOWERS
 - 20. FOREST GROVE
 - 21. HUMBER RIDGE
 - 22. MORNINGSTAR
- _ 23. ARBOUR GREEN
 - 24. SIR JOHN'S GLEN
 - 25. MILLWAY VILLAGE
 - 26. BAY CHARLES

Agreement of Purchase and Sale between Greymac Credit and Kilderkin



... PARKWAY FOREST : BLDG 18 (41 LA. 75.

All and Singular those certain parcels or tracts of land situate, lying and being in the City of North York, in the Municipality of Metropolitan Toronto and being composed of:

FIRSTLY: 'the whole of Block J, according to registered Plan 7239, registered in the Registry Office for the Registry Division of Toronto Boroughs (No. 64)

SECONDLY: the whole of Block F, according to registered Plan 8450,

registered in the said Registry Office; THIRDLY: the whole of Block I according to registered Plan 7239,

registered in the said Registry Office;
FOURTHLY: part of Block K, according to a plan filed in the said Registry
Office as No. 7239, the boundaries of which may be more particularly described as follows:

COMMENCING at the northeast angle of said Block "K";

THENCE North &1 Degrees, 49 Minutes, 00 Seconds West along the northerly limit thereof, 79.50 Feet to an angle therein;

THENCE South 84 Degrees, 07 Minutes, 40 Seconds West still along the northerly-limit of the block, 138.71 Feet to an angle therein;

THENCE South 81 Degrees, 04 Minutes, 40 Seconds West still along the northerly limit of Block "K", 138.43 Feet to angle therein;

THENCE South 77 Degrees, 25 Minutes, 50 Seconds West, along the northerl limit of the block, 187.06 Feet to the beginning of a curve;

THENCE southwesterly along the northwesterly limit of the block, being a curve to the left of radius 25.00 feet, an arc distance of 41.11 feet, having a chord equivalent of 36.63 Feet on a course of South 30 Degrees, 17 Minutes, 05 Seconds West, to the end thereof in the westerly limit of the block;

THEMCE South 16 Degrees, 49 Minutes, 40 Seconds East along the westerly limit of the block, 119.81 Feet to the beginning of curve;

THENCE Southeasterly along the southwesterly limit of the block, being a curve to the left of radius 363.74 Feet, an arc distance of 330.51 Feet, having a chord equivalent of 363.40 Feet on a course of South 46 Degrees, 47 Minutes, 50 Seconds East to the end thereof;

THEMCE South 76 Degrees, 46 Minutes, 00 Seconds East, along the southwesterly limit of the block, 91.19 Feet to the beginning of curve;

MENCE southeasterly, still along the southwesterly limit of the block, being a curve to the right of radius 266.00 Feet an arc listance of 228.74 Feet, having a chord equivalent of 221.76 eet on a course of South 52 Degrees, 07 Minutes, 55 Seconds ast more or less to a point herein distant 100.60 Feet measured ortherly along the arc of the curve from the most southerly ngle of the block, the said point being the most westerly angle f Block "A" according to a plan filed in the Registry Office or the Registry Division of the East and West Ridings of the ounty of York as Number 8450;

HENCE North 79 Degrees, 13 Minutes, 15 Seconds East, along the imit of the said Block "A", 20.53 Feet to an angle therein;

HENCE northerly along the limit between the said Blocks "A" nd "K", being a curve to the right of radius 3,013.98 Feet an rc distance of 202.73 Feet, having a chord equivalent of 202.69 set on a course of North Ol Degree, 59 Minutes, 57 Seconds set to its point of reverse with a curve to the left;

ENCE continuing northerly along the limit between Blocks "A" id "K", being a curve to the left of radius 3,902.10 Feet, arc distance of 411.65 Feet, having a chord equivalent of 1.46 Feet on a course of North 03 Degrees, 05 Minutes, 40 conds West to the Point of Commencement.

· FIFTHLY: (a)

ALL AND SINGULAR that certain parcel or tract of land and premises, situate lying and being in the Borough of North York, County of York and Province of Ontario, containing by admeasurement 167,212 square feet more or less, and being composed of part of Block A according to a Plan filed in the Registry Office for the Registry Division of the Eist and West Ridings of the County of York as Number 7239, the boundaries of the said parcel of land which may be more particularly described as follows:

PREMISING that the eastern part of the southern limit of said Block A has a bearing of North eighty-three degrees twenty-five minutes fifty-five seconds East (N 83°25' 55" E), and relating all bearings herein thereto;

COMMENCING at a point of the western limit of said Block A, which may be located by beginning at the south-western angle thereof;

THENCE Northerly along the western limit of said Block A being a curve to the right with radius of one thousand seven hundred and ninety-six and seventy-one one-hundredths feet (1796.71') an arc distance of two hundred and twelve and seventy-three one-hundredths feet (212.731) having a chord equivalent of two hundred and twelve and fifty-nine onehundredths feet (212-591) on a bearing of North zero degrees thirty-eight minutes twenty seconds East (N 0° 38: 20" E); THENCE North four degrees one minute fifty seconds East (N 4° Ol' 50" E) and continuing along the said western limit of Block A, one hundred and eighty and ninety one-hundredths feet' (130.90') to the beginning of a curve to the right with radius of three hundred and thirty feet (330.00:); TRANCE Northerly and continuing along the said western limit of Block B, being the last described curve an arc distance of one hundred and ninety-two and seventy-three one-hundredths feet (192.731) having a chord equivalent of one hundred and minety feet (190.00') on a bearing of North twenty degrees forty-five minutes thirty seconds East (N 200 45: 30" E) to 295

THENCE Northerly and continuing along the said western limit of Block A being the last described curve, an arc distance of seventy and fourteen one-hundredths feet (70.141) having a chord equivalent of seventy and one one-hundredth feet (70.01') on a bearing of North forty-three degrees thirty-four minutes forty seconds East (N 43° 34' 40" E); THENCE North forty-nine degrees forty minutes five seconds East (N 49° 40' 05" E) and continuing along the said western limit of Block A, one hundred and eighty and eleven one-hundredths feet (180.11') to connect with the northern limit thereof; THENCE Easterly along the said northern limit of Block A, being a curve to the right with radius of twenty feet (20.031), an arc distance of thirty-one and sixty-three one-hundredtha (31.631) having a chord equivalent of twenty-eight and fortyfour one-hundredths feet (28.441) on a bearing of South algatyfive degrees one minute fifteen seconds East (S 85° Ol 15" E); THENCE Easterly and continuing along the said northern limit of Block A, being a curve to the left with radius of four hundred and nine and sixty-seven one-hundredths feet (409.67:) an arc distance of two hundred and sixty-four and ninety-aix one-hundredths feet (264.961) having a chord equivalent of two hundred and sixty and thirty-six one-hundredths feet (260:361) on a bearing of South fifty-eight degrees fourteen minutes twenty-five seconds East (S 580 14: 25" E): THENCE South seventy-six degrees forty-six minutes East (S 76° 45' 00" E) and continuing along the said northern limit of Block A, one hundred and twenty-five and eightyseven one-hundredths feet (125.87') to coonect with the northeastern limit thereof; THENCE South-easterly along the said north-eastern limit of Block A, being a curve to the right, with radius of two hundred feet (200.001) an arc distance of eighty-three and two one-hundredths feet (83.021) having a chord equivalent of eighty-two and forty-two one-hundredths feet (82.421) on a bearing of South sixty-four degrees fifty-two minutes thinto conside Fact (c Kino EDI RON E).

THENCE South thirty-three degrees one minute West (S 33001:00" % three hundred and seventy-five and thirty one-hundredths foot (375-301);

THEMCE North fifty-nine degrees forty-nine pinutes West (N 59° 49' 00" W), three hundred and four and eighty-two caehundredths feet (304.82');

THENCE North thirty-nine degrees forty-seven minutes West (N 39° 47' 00" W), two hundred and fifty-seven feet (257.00') more or less to the said point of commencement.

(b) entain parted or tract of land and premises situate, lying and being in the COYOUTH OF HOTH YORK ALL AND SINCULAR 17-1

in the County of York: part of Block A according to Registered Plan 7239 York which said parcel and being composed of may be more particularly described as follows:

COMMENCING at the most easterly angle of said Block A;

: (ENCE South 83 degrees 25 minutes 55 seconds West (N83 025 55 W) along the southerly limit of Block A aforesaid 360.46 feet;

: IENCE North 53 degrees 30 minutes 40 seconds West (N53 30 40 W) along the southwesterly limit of Block A aforesaid 188.95 feet to a point in the southerly limit of Block A aforesaid distant 360.00 feet measured easterly ¿ .ong the southerly limit of Block A aforesaid from the southwest angle there THENCE North 40 degrees 33 minutes 50 seconds East (N40 33 50 E) 235.49

LIENCE North 33 degrees 01 minutes East (N33°01'E) 375.30 feet to a point in the northeasterly limit of Block A aforesaid;

: IENCE southeasterly along a curve to the right of radius 200.00 feet the chord equivalent of 160.00 feet measured on a course of South 29 degrees 24 minutes 20 seconds East (S29 24 20 E) along the northeasterly limit of : .ock A aforesaid to the beginning of a curve to the left of radius 3079.98

THENCE southerly along the arc of said curve 433.88 which said arc has a : nord equivalent to 431.69 feet measured on a course of South 09 degrees 54 minutes 10 seconds East (S09 54'10"E) to the point of commencement.

POGETHER WITH a Right of Way over part of Block A which said Right of Way may be more particularly described as follows:

COMMENCING at a point in the southerly limit of Block A, distant 270.00 feet measured on a course of North 83 degrees 25 minutes 55 seconds East (N.83°25'55"E.) along the said southerly limit from the southwesterly angle of said Block A.

THENCE North 83 degrees 25 minutes 55 seconds East (N.83°25'55"E.) continuing along the southerly limit of Block A aforesaid 90.00 feet to the most westerly angle of the hereinbefore described parcel.

THENCE North 40 degrees 33 minutes 50 seconds East (N.40°33'50"E.) along the northwesterly limit of the hereinbefore described parcel 235.49 feet . to a point.

THENCE North 59 degrees 49 minutes West (N.59°49'W.) 255.40 feet to a

THENCE South 3 degrees 55 minutes 10 seconds West (S.3°55'10"W.) 318.34 eet more or less to the point of commencement.

Att and Sincuta that terrain parcel or tract of land and premises situate, lying and being in the Borough of York and being composed of

I .rt of Block 'A' according to a plan filed in the Registry Office for the Registry Division of the East and West Ridings of the County of York as I unber 7239, the boundaries of which parcel of land may be more particularly escribed as follows:-

TRENDSING that the eastern part of the southern limit of said Block 'A' as a bearing of N 83 degrees 25 minutes 55 seconds East, and relating all bearings herein thereto;

OMMENCING at the South-West angle of the said Block 'A';

"TEMCE Northerly along the western limit of said Block 'A' being a curve o the right with radius of 1796.71 feet an arc distance of 212.73 feet having a chord equivalent of 212.59 feet on a bearing of North O degrees 38 minutes 20 seconds East;

PHENCE North 4 degrees 1 minute 50 seconds East and continuing along the said western limit of Block 'A', 180.90 feet to the beginning of a curve to the right with radius of 330.00 feet;

THENCE Northerly and continuing along the said western limit of Block 'B' being the last described curve an arc distance of 192.73 feet having a chord equivalent of 190.00 feet on a bearing of North 20 degrees 45 minutes 30 seconds East;

THEMOS South 39 degrees 47 minutes 00 seconds East, 257.00 feet;

THEMOE South 59 degrees 49 minutes 00 seconds East, 304.82 feet;

THEHCS South 40 degrees 33 minutes 50 seconds West, 235.49 feet more or les to a bend in the said southern limit of Block 'A';

THENCE South 83 degrees 25 minutes 55 seconds West, along the said souther: limit of Block 'A', 360.00 feet more or less to the said point of commencement.

MORTGAGEE

Montreal Trust Company
London Life Insurance Company
London Life Insurance Company
Kinross Mortgage Corporation
(i) Montreal Trust Company
November 21, 1968
NY 547201
December 23, 1969 NY 569805
NY 547201
NOVEMBER 23, 1969 NY 569805
NOVEMBER 23, 1969 NY 569805
NOVEMBER 23, 1969 NY 569805
NOVEMBER 21, 1968 NY 546093

AGREEMENTS

- (i) Agreement with Bayview Summit Development Limited, registered March 30, 1969 as No. NY557216;
- (ii) Agreements with Montreal Trust Company, registered September 5, 1967 as # NY519453 and Juné 3, 1968 as #NY527498;
- (iii) Agreement with Township of North York, registered April 17, 1966, as No. NY492549.

2. HORIZON HOUSE / BLUCS)/6 (... "

the whole of Parcel CC-3, in the Register for Section M-674

Lended under appl. 1-655603
Rest. 21/2/50 [4] Lide Buder Returning 1-87/17 and 1-111205
Buseded tables application
A-038tLL recitions 27th Loventer 1908 TORRORL THE TANK is the owner in Sea simple with an Ascolute Title of; FIRSTLY: Block "CC" on Blan M-761 (North York) resistered in the Office of Long Titles as Toronto, SAVING AND EXCEPTING therefrom that part of Block "GC" on Plan E-761, designated as (PART 5 on a plan of survey of reword in the said Office as K-1170, SUCONDLY: Block DD on Flan H-764 (North York) registered in the Office offend Titles at Toronto, designated as FARY 2 on a plan of survey of record in the said Office as R-1170. THIRDLY: That pert of Rosnole Road, forcerly Lawrence Avenue, East, being that pury of the Original Allowance for Road between Lots 5 and 6 in Concession 4 East of Young Street, of the Original Township of York, and now in the Township of North York, and designated as PART of on a plan of survey of record in the Office of land Titles at Toronto, as h-1170. As to the lands TRIEDLY Described; Subject to as essenting from of THE BELL TELEFRING COMPANY OF CANADA its right to maintain its telephone plant presently existing upon the maid PART 6 on Flan R-1170, and to place such additional telephone plant as it may require from tire

SUBJECT TO Plan BA-1196 and BA-1197, under the Boundaries Act.

MORTGAGES

Mortgagee Registration Date and Number London Life Insurance Company July 18, 1963 A 11846

..... HORIZON VILLAGE GEG CONS.

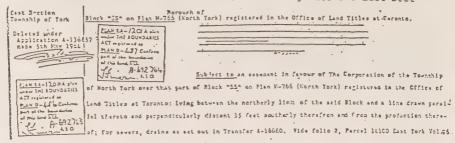
the whole of Block F-1, in the Register for Section M-975

	-		The Contract of the Contract o		- Advantagement
SECTION	M-973	VOLUME	PARCES	7-1-	rougo 1
Criginally 7-2 Section T-16,	Amended under appl. A- Ber: 21/7/30 ft ft Li Amended under applicat A-250400, regulared	Estator Transfor 1-119073		THE CIDILLA CORPORATION	
Recently Plan-8	Block For Plan X-975	is the over is fee simple (Forth York) registered in the		Title of:-	
Section M-975 Block F on Plan M-973 (North York) registered in the Office of Lind Titles at Toronto. Subject to an reserve; in favour of TRE CORPORATION OF THE TOWNERS OF MCRIM TORK over that part of said Block Picker, and as Pern 1 on a plan of surrey of record in the said Office as M-176), for the purposes as est out in A-1047)2.					

MORTGAGES

Mortgagee Registration Date and Number
Confederation Life Association October 5, 1964 A 149024

.4. . SUMMIT PLACE - PARCEL 14246, in the Register for East Sect



SUBJECT TO Plan BA-1673 and Plan D641, under the Boundaries Act.

AND SUBJECT TO Easement in favour of The Hydro Electric Commission of the Borough of North York as set out in Instrument No. A 621935.

MORTGAGES

Mortgagee	Registration Date	and Number
London Life Insurance Company	May 5, 1964	A 136858

15800115

. THE TOWNE

10000

LEASEHOLD INTEREST ONLY

ALL AND SINGULAR that certain percel or tract of land and premises situate, lying and being in the City of Toronto in the County of York and Province of Ontario, and being composed of all of Lots, 34, 5, 6, 16, 17, 18 and 19 and part of Lots 2 and 20 according to a plan filed in the Registry Office for the Registry Division of said City of Toronto as Number 413E, the said parcel being more particularly described as follows:

PREMISING that the Southern limit of St. Chair Avenue East has a bearing of North 74° 00' 00" East, according to said Plan 413E, and relating all bearings herein thereto:

COMMENCING at a point in the Southern limit of St. Clair Avenue East, being also in the Northern limit of said Plan 4132, distant 25.17 feet measured Westerly therein from the North Eastern angle of said Lot 2;

THENCE North 740 001 00" East, along said Northern limit, 225.16 feet more or less to the North Eastern angle of said Lot 6;

THENCE South 16° 23' 00" East, along the Eastern limit of said Lot 6 a distance of 130.05 feet more or less to the South Eastern angle thereof, being also the North Eastern angle of said Lot 16;

THENCE South 16° 23' 20" East, along the Eastern limit of said Lot 16 a distance of 155.39 feet more or less to the South Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73° 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 feet more or less to a point in the Southern limit of said Lot 20, distant 19.50 feet measured Westerly therein from the South Eastern angle thereof;

THENCE North 16° 24' 20" West a distance of 155.75 feet more or less to a point in the limit between said Lots 2 and 20, and distant 19.50 feet measured Westerly along the Northern limit of said Lot 20 from the North Eastern angle thereof;

302

THENCE South 73° 55' 20" West, along the last described limit, 5.67 ft. to a point distant 25.17 feet measured Westerly therein from the South Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 feet more or less to the point of commencement.

The Cadillac Fairview Corporation Limited interest in these lands arises out of lease between Sun Life Assurance Company of Canada as Lessor and Aldon Developments Limited as Lessee, registered February 18, 1966 on October 18, 1966.

Mortgagee Registration Date and Number
Sun Life Assurance Company of Canada October 4, 1966 74519E.M.

AGREEMENTS

Notices of Lease

6. BRETTON PLACE - LEASEHOLD INTEREST ONLY

FIRSTLY:

: . . .

.':

1

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the County of York, and Province of Ontario, and being composed of part of Lot Two (2), Registered Plan 274 York, and Lots Sixteen (16) to Twenty-two (22) inclusive and part of Lot "C", Registered Plan 1389 York, which said parcel of land is zere particularly described as follows:

PREMISING that the northerly limit of Suthes Avenue as shown on the soid Registered Flan 1989, has a bearing of north seventy-four degrees, zero zero minutes cast, and that all bearings used therein are related thereto:

COMMENCING at the north east corner of Lot Two (2) of the said Registered Plan 274;

THENCE westerly along the north limit of the soid Lot Two (2), being the southerly limit of Rosehill Avenue, three hundred and forty-six feet (346.001);

THENCE south sixteen degrees, twenty-four minutes, ten seconds east, one hundred and sixty-five and eighty-three one-hundredths feet (165.83') more or less, to the point in the south limit of the said Lot Two (2), being the north limit of Lot "C", Registered Plan 1389;

THENCE westerly along the north limit of the said Lot "C", four and twenty-seven one-hundredths fect (4.27') more or less, to a point therein distant twenty-three feet (23.00') measured westerly along the said north limit from the north east corner of the said Lot "C";

THENCE south sixteen degrees, eleven minutes, ten seconds east, two hundred and twenty-four and twenty one-hundredths feet (224.20') more or less, to a point in the south limit of the said Lot "C", being the north limit of Jackes Avenue, distant twenty-three feet (23.00') measured westerly therealong from the south cast corner of the said Lot "C";

THENCE easterly along the said north limit of Jackes Avenue three hundred and fifty-two and eight one-hundredths feet (352.08') more or less, to a point in the east limit of the said Registered Plan 1389;

THENCE northerly along the said east limit of the said Registered Plan 1389, two hundred and twenty-five and seventy one-hundredths feet (225.701) more or less, to the north east corner of Lot Sixteen (16), as shown on the said Registered Plan 1389, being the south east corner of Lot Two (2), as shown on the said Registered Plan 274;

THENCD continuing northerly along the east limit of the said Registered Plan 274, one hundred and sixty-five feet (165.00') more or less, to the point of commencement.

SUCUNDLY:

-:

1...

ALL AND SINGULAR that certain percel or tract of land and premises situate, lying and being in the City of Toronto, in the County of York, and Province of Ontario, being composed of a part of Lot Two (2), according to a plan filled in the Registry Office for the Registry Division of the County of York as Number 274, and now on file in the Registry Office for the Registry Division of Toronto, and of a part of Lot "C", according to a plan filed in the soid Registry Office for the Registry Division of the County of York as Number 1369, and now, on file in the soid Registry Office for the Registry Division of the Soid Registry Division of Toronto, the boundaries of the said parcel of land being described as follows:

COMMENCING at a point in the northerly limit of Jackes Avenue where the same is intersected by the westerly limit of lands expropriated by By-law Number 17447 of the Municipal Corporation of the City of Toronto, the said point of intersection being distant one hundred and twenty-three feet, two and one-half inches (12)'2½") measured easterly along the said northerly limit from the easterly limit of Yonge Street;

THEMCE easterly along the said northerly limit of Jackes Avenue, one hundred and ninety-one feet, seven and three-quarter inches (191'72") more or less, to a point therein distant twenty-three feet (23'o") measured westerly thereon from the easterly limit of the said Lot "C";

THENCE northerly parallel with the said easterly limit of Lot "C", two hundred and twenty-four feet, two and three-eighths inches (224'2-3/8") more or less, to the northerly limit of the said Lot "C", being also the southerly limit of the said Lot Two (2);

THENCE easterly along the said southerly limit of Lot Two (2), four feet, three and one-quarter inches (4'Ja") more or less, to the point of intersection thereof with a line drawn parallel with the easterly limit of the said Lot Two (2) and distant three hundred and forty-six feet (346'0") westerly therefrom measured on the course of the southerly limit of Rosehill Avenue;

THENCE northerly along the said parallel line, one hundred and sixty-five feet, ten inches (165'10") more or less, to the southerly limit of Rosehill Avenue aforesaid;

THENCE westerly along the said southerly limit of Rosehill Avenue, one hundred and sixty-five feet, seven inches (165'7") more or less, to a point therein distant one hundred and fifty-four feet, seven and one-half inches (154'7½") measured easterly thereon from the said casterly limit of Yonge Street;

THENCE southerly in a straight line, one hundred and sixty-five feet, eight and one-quarter inches (165'8½") more or less, to a point in the southerly limit of the said Lot Two (2) distant one hundred and fifty-four feet, six inches (154'6") measured easterly thereon from the said casterly limit of

Yonge Street:

THENCE westerly along the said southerly limit of Lot Two (2) being also the northerly limit of the said Lot "C", twenty-nine feet, eight and three-quarter inches (29'88") more or less, to the point of intersection thereof with a line drawn on a course perpendicular to the said northerly limit of Jackes Avenue through the said point of commencement, the said point of intersection being distant one hundred and twenty-four feet, nine and one-quarter inches (124'82") more or less, measured easterly thereon from the said easterly limit of Yonge Street;

THENCE southerly along the said line drawn perpendicular to Jackes Avenue, being the westerly limit of lands expropriated as aferesaid, two hundred and twenty-four feet, two and one-quarter inches $(22^{\frac{1}{4}}{}^{2})^{\frac{1}{4}}$ more or less, to the said point of commencement.

SUBJECT TO A RIGHT OF WAY at all times for all those now or hereafter entitled thereto over, along and upon a strip of land two feet six and one-half inches $(2^i6^1_2)^i$ in perpendicular width comprising the northerly one hundred and fifty-three feet eight inches (153^i8^n) of the westerly two feet six and one-half inches $(2^i6^1_2)^n$ of that part of the said Lot Two (2) included within the limits of the said lands hereinbefore described;

AND SUBJECT TO THE RIGHTS in favour of the Municipal Corporation of the City of Toronto to enter upon, construct, maintain and operate a sewer in, over, along and upon that port of the said lands hereinbefore described, more particularly described in two parts as follows:

FART ONE:

6.

ALL AND SINGULAR that certain parcel or strip of land being composed of part of the said Lot Two (2) according to Plan Number 274, and part of the said Lot "C", according to Plan Number 1389, the said strip of land having a perpendicular width of ten feet (10'0") and lying five feet (5'0") on either side of a centre line and the productions of the same, extending from the southerly limit of Rosehill Avenue to the northerly limit of Jackes Avenue, and which said centre line is more particularly described as follows:

COMMENCING at a point in the said southerly limit of Rosehill Avenue distant two hundred and fiftyone feet, four and one-half inches (251'4½") measured easterly thereon from the easterly limit of Yonge Street;

THENCE southerly in a straight line three hundred and eighty-nine feet, eleven and one-quarter inches (389'11½") more or less, to a point in the said northerly limit of Jackes Avenue distant two hundred and forty-three feet, eight and one-half inches (243'8½") measured easterly thereon from the said easterly limit of Yonge Street;

PART TWO:

ALL AND SINGULAR that certain parcel or strip of land being composed of part of the said Lot Two (2),

according to Plan Number 274, the said strip of land having a perpendicular width of ten feet (10°0") and lying five feet (5°0") on either side of a centre line and the productions of the same, extending from the southerly limit of Roschill Avenue to a connecting line hereinafter described, the said centre line being more particularly described as follows:

CONMENCING at a point distant eighty-three feet, five and one-half inches (83'5½") measured southerly along a straight line connecting t point in the said southerly limit of Roschill Avenue, distant two hundred and fifty-one feet, four and one-half inches (251'4½") measured easterly thereon from the easterly limit of Yong, Street with a point in the said northerly limit of Jackes Avenue distant two hundred and forty-three feet, eight and one-half inches (243'8½") measured easterly thereon from the said easterly limit of Yonge Street;

THENCE north easterly in a straight line, one hundred and four feet, eleven and one-half inches $(10^{1/4}l_2^{1/4})$ more or less, to a point in the said southerly limit of Rosehill Avenue distant three hundred and thirteen feet, ten and three-quarter inches $(313^{1}10^{\frac{1}{4}})$ measured easterly thereon from the said easterly limit of Yonge Street;

The aforementioned parcels described in Part One (1) and Part Two (2) being below the same plane as hereinafter described in the Reservation for Subway Easement.

RESERVING to the Toronto Transit Commission, its successors and assigns, out of the aforesaid lands for the structure, operation and maintenance of the Subway presently constructed therein, that part of the said lands herein described having a perpendicular width of forty-eight feet, four inches (48^{14}) and lying twenty-four feet, two inches (2^{4}) on either side of the centre line of a double track railway extending from the northerly limit of Jackes Avenue to the southerly limit of Rosehill Avenue, the said part lying below a plane having an elevation of four hundred and thirty-five and ninety-four one-hundredths feet (435.94°) above the datum as established and in general use by the City of Toronto, where the said plane is intersected by the northerly face of the Jackes Avenue Bridge, the said plane having an elevation of four hundred and fifty and fifty one-hundredths feet (450.50') where it is intersected by the southerly face of the Rosehill Avenue Bridge.

The aforementioned elevations have been established by markings on the north side of the west pier of Jackes Avenue Bridge and on the west side of the south face of Rosehill Avenue Bridge by Speight, Van Nostrand, Ward and Anderson - Chtario Land Surveyors.

The said part containing by admeasurement eighteen thousand eight hundred and forty-seven square feet (18,847 sq.ft.) be the same more or less,

The Cadillac Fairview Corporation Limited interest in these lands aris out of two leases between:

1) North American Life Assurance Company as Lessor and Karwood Realty Limited as Lessee, registered July 8, 1964, as No. 68980E.M. and amended by agreement registered as No. 72261 E.M.; and 2) Toronto Transit Commission as Lessor and Karwood Realty Limited

2) Toronto Transit Commission as Lessor and Karwood Realty Limited and Sam Salvador Investments Limited as Lessees, registered April 1, 1974, as No. 68239 E.M. and amended by agreement registered as 72262 E.M., and which was the subject of a sub-lease registered as 72263 E.M.

MORTGAGES

Mortgagee	Registration Date	and Number
London Life Insurance Company	November 5, 1965	72264 E.M.

550 (...)

7. ROSEDALE	E EAST - Parcel 11-1, in the Register for Section :
גיכווסונים ג	PAPCEL 22-2
Crisinally andEscensial 11-1 Section 12-3. The Comproser of Revenue to Edward out the France The Comproser of the France Deposit of the Property of the Pr	Under Application D-1992 Assented under appl. A-855653 Seg.: 21/7750 1.1. In the owner in few sizels with an absolute Title of: First of lot 12 in Concession 2 from the Say of the Tomania of York, now in the City of Tomania brotistis at 20 of lot 17 as above on resistant flowers filled in the beststry Office for the Feriture Tryiston of Incurate Date of lots 10 to 2 inclusive. Lots 1, 5 ont 4. Lots 8 to 11 inclusive. Lots 13 to 15 inclusive and Ferna of Lots 19 to 22 inclusive, all as above on Plan 1005 inclusive and Ferna of Lots 19 to 22 inclusive. All as above on Plan 1005 inclusive and row on file in the Feritury Division of the Ferna Englatery Division of Tomania: Part of Landers Read as shown on said Plan 1002, and Fern of the lane as shown on said Plan 1002, and Fern of the lane as shown on said Plan 1003. Perts of lots 17, and 18 as shown on said Plan 1003. Lots 7 and 12 as above on said Plan 1003. Perts of lots 17 and 18 as shown on said Plan 1004. Lots Township of York and now said Plan 1005, Perts of lots 11 in Concession 2 from the Say of the Corporation of the Indian as in the first of Tomania, stormed up and closed by by-lev 22221 of the Corporation of Indian as in the first of Tomania, stormed up and closed by by-lev 22221 of the Corporation of Indian as in the first of Tomania, stormed and the Stiff S.V. and filed in the Office of large first Enginery. Division of Tomania as Instrument 68715 S.V. and filed in the Office of large in the Section of Survey of record in the said Office of Lang Titles as F-2729.
	SUBJECT TO a right-of-way for the benefit of the owners and
	oscupation of the large and premises impointably addition to the powin of suic Phil tim, cost.

MORTGAGES

Mortgagee		Registrat	ion	Date	ar	nd Number
	* .					
Confederation Life Association		December	22,	1965	A	183704

8. HAMPTON HOUSE Fringer 1256

tract s of land and premises, situate, lying and being in the City of Toronto, in the County of Verly,

FIRSTIN: Lots Numbers Themty (20), Thenty-are (21), Thenty-ave (22), and Twenty-three (23), and parts of Lots Numbers Mineteen (19) and Eucher Twenty-four (24), on the south side of Rechampton Avenue, and Lot and Twenty-four (24) and parts of Lots Numbers Thenty-three (23) and Twenty-five (25) on the north side of Eglinton Avenue East, according to a Plan filed in the Registry Office for the City of Toronto as as follows:

COMMENCIES at an iron bur in the southerly limit of Rochampton Avenue, being the northerly limit of Lot Mineteen (19) aforesaid, distant fifty east angle of said Lot;

THENCE easterly along the southerly limit of Rochampton Avenue, being along the northerly limits of Lots Numbers Nineteen (19), Twenty (20), Twenty-one (21), Twenty-two (22), Twenty-three (23) and Twenty-four (24), four hundred and sixty-seven feet one and one-half inches(667'1½' nore or less, to an iron bar in the westerly limit of Rawlinson Avenue as widened by Deed Ro. 4190 Worth Toronto, said from bar being distant seventeen feet zero inches (17.0°) measured casterly therealogy from the north west augle of lot Twenty-four (24) aforesaid:

THENCE southerly along the westerly limit of Rawlinson Avenue as widened, three hundred and eighty feet one and three-quarter inches (380'1-3/4") more or less, to an iron bar in the northerly limit of Eglinton Avenue East as widened by By-law 12395 City of Toronto;

THENCE westerly along the northerly limit of Eglinton Avenue East as widened, one hundred and ninety-one feet eleven and one-half inches (191'11-1/2") more or less, to an iron bar distant seventy-five feet zero inches (75'0") measured westerly therealong from the easterly limit of Lot Twenty-three (23) aforesaid;

THENCE northerly parallel to the easterly limit of Lot Twenty-three (23 aforesaid, one hundred and eighty-four feet eleven inches (184'11") more or less, to the northerly limit of the said Lot, being also the southerly limit of Lot Twenty-two (22) aforesaid;

THENCE westerly along the southerly limit of Lots Numbers Twenty-two (22), Twenty-one (21), Twenty (20) and Nineteen (19) aforesaid, two hundred and seventy-four feet and three-quarter inches (274'4-3/4") more or less, to an iron bar distant fifty feet zero inches (50'0") measured westerly therealong from the south east angle of Lot Nineteen

TIENCE northerly parallel to the easterly limit . I for Emmber Mineteen (19) aforesaid, one hundred and ninety-live feet zero inches (1950") more or less, to the point of communication.

TOGETHER WITH A RIGHT OF WAY over the costerly three feet nine inches (3'9") of the southerly eighty feet (80') of that part of Lot Twenty-three (2) on Plan 639, on the north side of Eglinton Avenue lying to the west of the lands herein described.

AND SUBJECT TO A EXCHT OF WAY over the westerly three feet nine inches (3'9") of the southerly eighty feet (80') of that part of Lot Twenty-three (23) on Plan 639 on the north side of Aglinton Avenue above described.

THE SAID TWO RIGHTS OF WAY to form a common passageway and driveway for the use of the owners and occupants of the lands on either side thereof and for all persons authorized by them to use the same.

SECONDLY: Parts of Lots Numbers Eighteen (18) and Mineteen (19) on the south side of Rochampton Avenue, according to a plan filled in the Registry Office for the City of Toronto 24 Number 659 York, which soid parcel may be more particularly described as follows:

Military of property and the contract of the contract of the first of the first of the contract of the

"8. HAMPTON HOUSE (continued)

COMMENCING at an iron bur in the southerly limit of lot Minet (19) aforesaid, distant fifty fact zero inches (50'0") measure a course south seventy-four degrees zero three minutes west (574'03'%) along the southerly limit of said Let from the south east angle thereof;

THEREE north fifteen degrees, forty-nine minutes, zero seconds west (M15 49 00 mW) parallel to the custerly limit of Lot Nineteen (19) aforesaid, forty-five feet three inches (45 3 m) to an iron bar;

THINCE south seventy-four degrees zero three minutes west (\$74000%) parallel to the southerly limits of Lots Nineteen (19) and Elighteen (18) aforesaid, eighty-nine feet sex and one-half inches (69'6'') to the easterly limit of Kount Pleasant Road as widered by City of Toronto By-law Number 11319;

The 2-CH south twenty-one degrees forty-two minutes east (S21.952.2) along the aforesaid widened limit forty-five feet four and one-half lactes (45.51.9) more or less, to an iron bar in the southerly limit of Lot elighteen (P_2) :

THESCE north seventy-four degrees zero three minutes east $(275^{\circ})^{\circ}(315)$ along the southerly limits of Lots Eighteen (16) and Einsteen (19) aforgood, eighty-five feet ten and one-quarter inches $(25^{\circ}10_{\pi})^{\circ}$ mor or less to the point of commencement.

Mortgagee Registration Date and Number
London Life Insurance Company January 19, 1968 102635 E.O.

PARK PLACE TO BLOKS 1891 , ALTS

, all that iraci of land and premises, situate, lying and being in the of York, being composed of Toronto, . in the County of

all of Lots One (1) to Twenty-one (21) inclusive, according to registered Plan 1486 York, all of Lots Eleven (11) to Twenty-six (26) inclusive and part of Lot Ten (10), Block Three, according to registered Plan 553 York, which said parcel may be more particularly described as follows:

PREMISING that the easterly limit of Pacific Avenue as shown on Plan 553 York has a bearing of north sixteen degrees, west and relating all bearings herein thereto;

COMMENCING at the south east angle of Lot Twenty-one (21), according to said Plan 1486 and being also the north easterly angle of that parcel of land designated as Part One on a Plan of Survey of record in the Office of Land Titles at Toronto as R 2621 as marked by a cut cross in concrete:

THENCE north fifteen degrees fifty-eight minutes forty seconds west along the westerly limit of Oakmount Road, being along the easterly limits of Lots Twenty-one (21) to Two (2) inclusive, Plan 1486 York, in all Eight Hundred and Fourteen feet Six inches to an iron bar in the north east angle of Lot Two (2) aforesaid, according to said Plan 1486;

THENCE south seventy-four degrees, twenty-three minutes, forty secon west along the northerly limits of Lots One (1) and Two (2), Plen 1486 York and along the northerly limits of Lots Twenty-six (26), Twenty-five (25) and Twenty-four (24), Block Three, Plan 553 York, being along the southerly limit of Glenlake Avenue, Two Hundred and Ninety-nine feet Two and One-half inches to an iron bar in the north west angle of Lot Twenty-four (24), Block Three, Plan 553 York;

THENCE south sixteen degrees, zero minutes, zero seconds east, Eight Hundred and Twenty-two feet, Five inches along the easterly limit of Pacific Avenue, being along the westerly limits of Lots Twenty-four (24), Twenty-three (23), Twenty-two (22), Twenty-toe (21), Twenty (20), Nineteen (19), Eighteen (18), Seventeen (17), Sixteen (16), Fifteen (15), Fourteen (14), Thirteen (13), Twelve (12), Eleven (11) and part of Lot Ten (10), Block Three, Plan. 553 York, to an iron bar in the westerly limit of Lot Ten (10) distant Twenty-eight feet zero inches measured southerly therealong from the north west angle of Lot Ten (10), the said iron bar being the north westerly angle of that parcel of land designated as Part One on a Plan of Survey of record in the Office -of Land Titles at Toronto as R 2621;

. THENCE north seventy-four degrees, thirteen minutes, twenty seconds east along the northerly limit of said Part One, Flam R 2021, One Hundred and Thirty-one feet Three-quarter inches to an iron bar in the westerly limit of Lot Twenty-two (22), according to said Plan 1486; .

THENCE north fifteen degrees fifty-nine minutes twenty seconds west still along the limit of Part One of said Plan R 2021, Seven feet, Nine and One-quarter inches to an iron bar in the south west angle of said Lot Twenty-one (21), according to said Plan 1486:

THENCE north seventy-four degrees twenty-five minutes forty seconds cast along the southerly limit of said Lot Twenty-one (21), Plan 1486 York, and being still along the northerly limit of said Part One, Plan R 2621, a distance of One Hundred and Sixty-eight feet One inch to the point of commencement.

MORTGAGES

Mortgagee Registration Date and Number London Life Insurance Company June 27, 1955 101202 W.T.

B. PARTIALLY LEASEHOLD INTEREST

FIRSTLY: All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipal of Metropolitan Toronto, and being composed of the whole of Lots 7 through 28, both inclusive, and the whole of Lots 33 through 52, both inclusive, and part of Lot 29, in Block 2, according to Plan 553 registere in the Land Registry Office for the Registry Division of Toronto, and being designated as PARTS 1, 2 and 3, on a reference plan filed in the said Land Registry Office as 63R-835

SECONDLY The whole of Parcel 29-1-2 in the Register for Section A-553,

In the City of Toronto, in the Nunicipality of Netropolitan Toronto, formerly in the County of York, and being all of Lots 30, 31, and 32, and part of Lot 29 in Block 2, as shown on Plan 553 York, filed in the Registry Office for the Registry Division of the East and West Riding of the County of York, now the Registry Office for the City of Toronto and designated as Parts 1, 2 and 3 on a plan of survey of record filed in the Office of Land Titles at Toronto as Number 2-3019.

The interest of The Cadillac Fairview Corporation Limited in Lots 7 and 52 and parts of Lots 8 and 51, in Block 2, Plan 553 designated as Part 1, on said reference Plan 63R-835 is a Leasehold Interest arising out of a lease with the Municipality of Metropolitan Toronto, notice of which is registered January 22, 1973, as Instrument No. 116853 W.T.

MORTGAGES

Mortgagee Registration Date and Number

London Life Insurance Company April 19, 1968 A239266
(105830 W.T

London Life Insurance Company February 7, 1974 CT46744
(A418906)

AGREEMENTS

Agreement with the Municipality of Metropolitan Toronto, registered February 20, 1974, as Instrument no. CT48706.

FIRSTLY

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and being composed of parts of Lots 12, 13, 14, 15, 16, 17, 18, 19 and 20 and parts of Lots 46 and 47 and all of Lots 39, 40, 41, 42, 43, 44 and 45 all in Block 1, according to a Plan filed in the Land Registry Office for the Registry Division of Toronto Boroughs as No. 553 the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Block 1 of said Plan Number 553 York, being also the west limit of High Park Avenue, has a bearing of north sixteen degrees, zero minutes, zero seconds west (N16^o00'00"W) and relating all bearings herein thereto;

COMMENCING at a point on the west limit of said Lot 46, distant two hundred and thirty-nine and fifteen one-hundredths feet (239.15') measured northerly along the east limit of Quebec Avenue from the southwest angle of Lot 50 in said Block 1 of said Plan Number 553 York;

THENCE north fifteen degrees, fifty-seven minues, fifty seconds west (N15°57'50"W) along the said east limit of Quebec Avenue, being also the west limits of said Lots 46, 45, 44, 43, 42, 41, 40 and 39, in all a distance of three hundred and sixty and eighty-five one-hundredths feet (360.85') more or less to the northwest angle of said Lot 39;

THENCE north seventy-four degrees, twenty-eight minutes, fifty seconds east (N74^O28'50"E) along the north limit of said Lot 39, one hundred and fifty-nine and sixty-five one-hundredths feet (159.65') more or less to the northeast angle thereof;

THENCE south fifteen degrees, fifty-eight minutes, zero seconds east (S15°58'00"E) along the east limit of said Lot 39 eight one-hundredths of a foot (0.08') more or less to the northwest angle of said Lot 20;

THENCE north seventy-four degrees, nineteen minutes, ten seconds east (N74⁰19'10"E) along the north limit of said Lot 20, ninety-nine and fifty-seven one-hundredths feet (99.57') more or less to its point of intersection with a line parallel to the aforesaid west limit of High Park Avenue, distant one hundred feet (100.00') measured westerly therefrom and perpendicularly thereto;

THENCE south sixteen degrees, zero minutes, zero seconds east $(516^{\circ}00^{\circ}00^{\circ}E)$ along the last described parallel line, two hundred and twenty and seventy-eight one-hundredths feet (220.78°) ;

THENCE south seventy-four degrees, zero minutes, zero seconds west (S74 00'00"W) seventy-nine and seventy-three one-hundredths feet (79.73');

THENCE south sixteen degrees, zero minutes, zero seconds east (S16°00'00"E) and parallel with the said west limit of High Park Avenue, one hundred and eighty-seven and sixty-one one-hundredths feet (187.61');

THENCE south seventy-four degrees, zero minutes, zero seconds west (S74°00'00"W) seventy-nine and seventy-three one-hundredths feet (79.73') more or less to its point of intersection with a line parallel to the aforesaid Quebec Avenue, distant one hundred feet (100.00') measured easterly therefrom and perpendicularly thereto;

THENCE north fifteen degrees, fifty-seven minutes, fifty seconds west (N15°57'50"W) along the last described parallel line, forty-nine and forty-four one-hundredths feet (49.44') more or less to its point of intersection with a line drawn from the said point of commencement on a course of north seventy-four degrees, two minutes, ten seconds east (N74°02'10"E);

THENCE south seventy-four degrees, two minutes, ten seconds west $(574^{\circ}02'10"\text{W})$ along the last described line, one hundred feet (100.00') more or less to the said point of commencement.

. The hereinbefore described parcel contains by admeasurement 86,240 square feet more or less.

MORTGAGES

Mortgagee

Registration Date and Number
September 11, 1968 106745 W.T.

London Life Insurance Company

SECONDLY

(1)

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and being composed of Parts of Lots 46 to 50 inclusive in Block 1 according to a Plan filed in the Land Registry Office for the Registry Division of Toronto Boroughs as No. 533 York, the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Block 1 of said Plan Number 553 York, being also the west limit of High Park Avenue, has a bearing of north sixteen degrees zero minutes zero seconds west (N.16^O00'00"W.) and relating all bearings herein thereto;

COMMENCING at a point on the west limit of said Lot 50, distant nineteen feet (19.00°) measured northerly there along from the southwest angle thereof;

THENCE north fifteen degrees fifty-seven minutes fifty seconds west (N.15°57'50"W.), along the west limits of said Lots 50, 49, 48, 47 and 46 being also the east limit of Quebec Avenue, in all a distance of two hundred and twenty and fifteen one-hundredths feet (220.15') to a point thereon;

THENCE north seventy-four degrees two minutes ten seconds East (N.74°02'10"E) one hundred feet (100.00'):

THENCE south fifteen degrees fifty-seven minutes fifty seconds east (S.15°57'50"E) and parallel to the said west limits of Lots 46, 47, 48, 49 and 50 two hundred and twenty and eighty-five one-hundredths feet (220.85') more or less to its point of interesection with a line drawn from the said point of commencement parallel to the said south limit of Lot 50 on a course of north seventy-four degrees twenty-six minutes ten seconds east (N.74°26'10"E);

THENCE south seventy-four degrees twenty-six minutes ten seconds west (S.74°26'10"W), along the last described parallel line, one hundred feet (100.00') to the point of commencement.

The hereinbefore described parcel contains by admeasurement 22,050 square feet more or less.

(2) ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the City of Toronto, in the County of York and Province of Ontario, and being composed of parts of Lots 16 to 20 inclusive in Block 1 according to a Plan filed in the Region of the City of Toronto in the Western Division as Number 55 York, the boundary of the said parcel of land may be more particula described as follows:

PREMISING that the east limit of said Block l of the said Plan Numb 553 York, being also the west limit of High Park Avenue has a beari of North sixteen degrees zero minutes zero seconds West (n. 16°00°C) and relating all bearings herein thereto;

COMMING at the north-east angle of said Lot 20, being also a poi: on the said west limit of High Park Avenue;

THENCE SOUTH seventy-four degrees mineteen minutes ten sec onds West (S. 74 19:10:W.), along the north limit of said Lot 20, can hundred feet (100.00) more or less to its point of intersection with a line parallel to the said west limit of High Park Avenue, distant one hundred feet (100.00) reserved.

10. GRENADIER SQUARE (continued)

THENCE SOUTH sixteen degrees zero minutes zero seconds East, (S16 00'00"E) along the last described parallel line, two hundre and twenty and seventy-eight one-hundredths feet (220.78');

THENCE NORTH seventy-four degrees zero minutes zero seconds East (N74 00'00"E), one hundred feet (100.00') more or less, to a point on the said west limit of High Park Avenue, distant two hundred and twenty and twenty-two one-hundredths feet (220.22') measured souther therealong from the said north-east angle of Lot 20;

THENCE NORTH sixteen degrees zero minutes zero seconds West (N16 $^{\circ}$ 00° along the said West limit of High Park Avenue, two hundred and twent twenty-two one-hundredths feet (220.22°) to the said point of commencement.

The hereinbefore described parcel of land contains by admeasurement, 22,050 square feet more or less.

MORTGAGES

Mortgagee Registration Date and Numb
The Monarch Life Assurance Company August 26, 1969 109003 W

THIRDLY

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the County of York and Province of Ontario, and being composed of parts of Lots 8, 12, 13, 14, 15, 16, 47, 48, and 50, and all of Lots 9, 10 and 11, in Block 1, according to plan filed in the Registry Office for the City of Toronto in the Western Division as Number 553 York, the boundary of the said parcel of land may be more particularly described as follows:

PREMISING that the east limit of said Block 1 of said plan Numb 553 York, being also the west limit of High Park Avenue, has a bearing of North Sixteen degrees, zero zero minutes, zero zero seconds West and relating all bearings herein thereto:

COMMENCING at a point on the said west limit of High Park Avenue; distant 220,22' measured southerly therealong from the north-east angle of Lot 20 in said Block 1;

THENCE South Seventy-four degrees, zero zero minutes, zero zero seconds West, 179.73';

THENCE South Sixteen degrees, zero zero minutes, zero zero seconds East and parallel with the said west limit of Eigh Park Avenue 187.61';

THENCE South Seventy-four degrees, zero zero minutes, zero zero seconds West, 79.73' more or less to its point of intersection with a line parallel to Quebec Avenue, distant 100.00' measured easterly therefrom and perpendicularly thereto;

TRENCE South Fifteen degrees, Fifty-seven minutes, Fifty seconds East along the last described line, 171.41' more or less to its point of intersection with a line parallel to the south limit of said Lot 50, distant 19.00' measured northerly along the west limit thereof from its south west angle;

TRENCE North Seventy-four degrees, Twenty-six minutes, Ten seconds East, along the last described parallel line, 59.71' more or less to the east limit of the parallel line, 59.71'

IO. 'GRENADIER SQUARE (continued)

TRENCE South Sixteen degrees, zero one minutes, zero zero seconds East, along the west limit of said Lots 9 and 8, in all a distance of 39.00' more or less to a point thereon, distant 20.00' measured southerly therealong from the north-west angle of said Lot 8;

THENCE North Seventy-four degrees, Twenty four minutes, zero zero seconds East and parallel to the north limit of said Lot 8, 199.86' more or less to the said west limit of High Fark Avenue;

THENCE North Sixteen degrees, zero zero minutes, zero zero seconds, along the said west limit of High Park Avenue, 399.88' more or less to the said point of commencement. The hereinbefore described parcel of land contains by admeasurement 56,240 square feet more or less.

MORTGAGES

Mortgagee · Registration Date and Number

The Royal Trust Company December 18, 1967 105149 W.T.

il. ROSEBURY SQUARE

.) All and Singular those certain parcels or tracts of land and premises situate, lying and being in the Borough of York, in the Municipality of Metropolitan Toronto and being composed of:

S 27 L116. 2

FIRSTLY:

All of Lots Three Hundred and Eighty-eight (383), Five Hundred and Sixty-five (565), Five Hundred and Sixty-six (566), Five Hundred and Sixty-sev (567), Five Hundred and Sixty-eight (568), Five Hundred and Sixty-nine (569), Five Hundred and Seventy (570), Seven Hundred and Eleven (711), Seven Hundred and Twelve (712), Seven Hundred and Thirteen (713), Seven Hundred and Fourteen (714), Seven Hundred and Thirty (530), Five Hundred and Thirty-one (531), Five Hundred and Thirty-two (532), Five Hundred and Thirty-three (533), Five Hundred and Thirty-four (534), Five Hundred and Thirty-five (535), parts of Lots

Three Hundred and Eighty-seven (387), Three Hundred and Eighty-nine (385). Three Hundred and Ninety (390), Three Hundred and Ninety-one (391), Three Hundred and Thirty-six (536), Five Hundred and Thirty-seven (537), Five Hundred and Thirty-six (536), Five Hundred and Thirty-sine (529), Five Hundred and Thirty-six (536), Five Hundred and Thirty-nine (529), Five Hundred and Thirty-six (536), Five Hundred and Thirty-nine (539), Five Hundred and Thirty-public (539), Five Hundred and Thirty-public (539), Five Hundred and Thirty-nine (539), Five Hundred and Thirty-public (539), Five Hundred and

SECONDLY:

Lots Three Hundred and Eighty-five (385), Three Hundred and Eighty-seven (387), and Five Hundred and Forty (540), according to Plan 1775 registered in the Registry Office for the Registry Division of Toronto Boroughs and York South, formerly the Registry Division of the East and West Riding of the County of York, designated as Part Two (2) on said Reference Plan being all that part of Part Two (2) lying below an inclined plane, the eastern extremity of said inclined plane having an elevation of six hundred and sixty-seven feet (667.00') geodetic datum and the western extremity of the said inclined plane having an elevation of six hundred and sixty-five and thirteen one-hundredths feet (665.13') (the said plane being the top of the nine inch (9") roof slab of the upper basement garage).

THIRDLY:

The subsurface of part of Lot Five Hundred and Forty (540) according to said registered Plan Number 1775 York, designated as Part Three (3) on said Reference Plan 64R-1469 being all that part of Part Three (3) lying below an inclined plane the north east extremity of said inclined plane having an elevation of six hundred and sixty-seven feet (667.00') geodetic datum, the south east extremity of the said inclined plane having an elevation of six hundred and sixty-six and fifty-four one-hundredths feet (666.54') geodetic datum, the north west extremity of said inclined plane having an elevation of six hundred and sixty-five and thirteen one-hundredths feet (665.13') geodetic datum; the south west elevation of the said inclined plane having an elevation of six hundred and sixty-four and sixty-seven one-hundredths feet (664.67') geodetic datum (the said plane being the top of the roof slab of the upper basement garage).

As to all of the lands firstly, secondly, and thirdly above described;

SUBJECT TO AND TOGETHER WITH the burden and benefit of all the covenants and conditions of a certain Agreement dated the 19th and a serial 1971, and made between Cadillac Development Corpany,

11. ROSEBURY SQUARE (continued)

Page 2

MORTGAGES

Mortgagee

Registration Date and Number

London Life Insurance Company York September 14, 1971. 570521 York

AGREEMENTS

Notice of Leases Agreement with London Life Insurance Company, registred November 4, 1971 as No. 572060 York

tract of land and premises, situate, lying and being in the City of Toronto, XXI and in the Borough of York, in the County of York, being composed of

FIRSTLY:

all of Lots One Kundred and Ten (110), One Kundred and Eleven (121), One Hundred and Twelve (112), and parts of Lots One Hundred and Nine (109), One Hundred and Thirteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to Planu2423, York, regitered in the Registry Office for the Registry Division of the City of Toronto, and all of Lots Two Hundred and Ninety-nine (299), Three Hundred (300), Three Hundred and One (301), Three Hundred and Two (3) Three Hundred and Three (303), Three Hundred and Four (304) and Three Hundred and Five (305), Three Hundred and Eleve (311), Three Hundred and Eleve (311), Three Hundred and Twelve (312), Three Hundred and Thirteen (3) Three Hundred and Fifteen (315) and parts of Lots Two Hundred and Ninety-eight (298), Three Hundred Six (306) and Three Hundred and Seven (307), according to Plan 1769 registered in the said Registry Office and part of Lot Seven Hundred and Twenty-seven (727), according to Plan 1775 York, registered in the Registry Office for the East and West Riding of the County of York and Reference Plan deposited in the Registry Office for the Registry Division of the City of Toronto as Plan RD-205 and in the Registry Office for the East and West Riding of York as Plan RS-1074.

SUBJECT TO AN EASEMENT in favour of the City of Toronto, over, along and upon parts of Lots Two Hundred and Ninety-eight (298), Three Hundred and Eight (208), Three Hundred and Nine (309), Three Hundred and The (310), Three Hundred and Eleven (311), Three Hundred and Twelve (312), Three Hundred and Thirteen (313), Three Hundred and Fourteen (314), and Three Hundred and Fifteen (315), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Ten (110), One Hundred and Eleven (111), One Hundred and Twelve (112), One Hundred and Thirteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART SIX (6), on said Reference Plan.

SUBJECT TO AN EASPMENT in favour of the City of Toronto, the Bell Telephone Company of Canada and the Toronto Hydro-Electric System over, along and upon parts of Lots Two Hundred and Nine Weight (298) Three Hundred and Eight (308), Three Hundred and Nine (309), Three Hundred and Toronto (310), Three Hundred and Eleven (311), Three Hundred and Twelve (312), Three Hundred and Thirteen (313), Three Hundred and Fourteen (314) and Three Hundred and Fifteen (315), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Ten (110), One Hundred and Eleven (111), One Hundred and Twelve (113) One Hundred and Thirteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART SEVEN (7) on said Reference Plan.

SECONDLY:

the surface of part of Lot Three Hundred and Seven (307) according to said Registered Plan 1769 York, being designated as PART TWO (2) on said Reference Plan, being all that part of PART TWO (2) lying above a horizontal plane having an elevation of five hundred and sixty-eight feet (568') geodetic datum (the said plane being the top of the new nine inch (9°) roof slab of the upper basement garage).

THIRDLY:

the surface of part of Lot Three Hundred and Seven (307), according to said Registered Plan 1769 York, and parts of Lots One Hundred and Nine (109), One Hundred and Thirteen (113), One Hundred and Fourteen (114) and One Hundred and Fifteen (115), according to said Registered Plan 2423 York, designated as PART THREE (3) on said Reference Plan being all that part of said FART THREE (3) lying above an incline plane, the southern extremity of said incline plane having an elevation of five hundred and sixty-eight feet (568') geodetic datum and the northern extremity of the said incline plane having an elevation of five hundred and seventy-two feet (572') geodetic datum (the said plane being the top of the new nine inch (9") roof slab of the upper basement garage).

FOURTHLY:

the sub-surface of parts of Lots Three Hundred and Seventy-two (372) and Five Hundred and Fifty (550) according to Registered Plan 1775 York, registered in the Registry Office for the East and West Riding of the County of York, designated as PART FOUR (4) on said Reference Plan being all that part of PART FOUR (4) lying below a horizontal plane having an elevation of five hundred and seventy-seven feet (577' slab of the upper basement garage).

As to all of the lands FIRSTLY, SECONDLY, THIRDLY and FOURTHLY above described:

SUBJECT TO and TOGETHER WITH the burden and benefit of all the coverants and conditions of a certain Agreement dated the twentieth day April, 1970, and made between Cadillac Development Corporation Limits of one part, and London Life Insurance Company, of the other part, which Agreement was registered in the Registry Office for the City of Toronto, on the THA day of AMAY, 1970, as Instrument No. 112175 E.W. I, and in the Registry Office for the Registry Division of the East and West Riding of the County of York, on the Till day of AMAY, 1970, as Instrument No. 258378.

MORTGAGES

Mortgagee		Registration Date	and 111
London Life	Insurance Company		and Number
		May 2, 1970	558455 York (112204 E.N.

AGREEMENTS

Agreement with London Life Insurance Company, registered November 4, 1971, as Instrument Number 572060.

Page

ertain parted or tract of land and premises situate, lying and beindowith partly in the Eurough of Yupartly in the City of Toronto, in the County of York, and Minz

FIRSTLY:

all of Lots Three Hundred and Seventy-three (373), Three Hundred and Seventy-four (374), Three-Hundred and Seventy-five (375), Three Hundred and Seventy-seven (377), Three Hundred and Seventy-seven (377), Three Hundred and Seventy-eight (378), Three Hundred and Seventy-nine (379), Three Hundred and Seventy-nine (379), Three Hundred and Eighty-two (381), Three Hundred and Eighty-three (383), Three Hundred and Eighty-five (385) and Three Hundred and Eighty-four (384), Three Hundred and Eighty-five (385) and Three Hundred and Eighty-six (386), Five Hundred and Forty-one (541), Five Hundred and Forty-three (543), Five Hundred and Forty-three (545), Five Hundred and Forty-six (546), Five Hundred and Forty-seven (547) Five Hundred and Forty-six (546), Five Hundred and Forty-nine (549), Five Hundred and Fifty-c (551), Five Hundred and Fifty-two (552), Five Hundred and Fifty-three (570), Five Hundred and Fifty-four (554), Five Hundred and Fifty-five (555), Five Hundred and Fifty-six (556), Five Hundred and Fifty-seven (577), Five Hundred and Fifty-six (558) and Five Hundred and Fifty-nine (559), and parts of Lots Three Hundred and Seventy-two (372), Three Hundred and Eighty-seven (537), Five Hundred and Thirty-six (536), Five Hundred and Thirty-seven (537), Five Hundred and Thirty-six (538), Five Hundred and Thirty-seven (537), Five Hundred and Forty (540) and Five Hundred and Fifty (550) according to Plan 1775 York, registered in the Registry Office for the Registry Division of the East and West Riding of the County of York, and part of Castlefield Avenue as shown on said Plan 1775 York, now closed By-law 451 of the Berough of York, and registered as Instrument No. 5542 designated as PART FIVE (5) on a Reference Plan deposited in the said Registry Office as Plan RS-1074.

SECONDLY:

the sub-surface of part of Lot Three Hundred and Seven (307), according to Plan 1769 York, registered in the Registry Office for the City of Toronto, designated as PART TWO (2) on said Reference Plan, which is also deposited in the Registry Office for the Registry Division of the City of Toronto as Plan RD-205, being all that part of PART TWO (2) Lying below a horizontal plane having an elevation of five hundred and sixty-eight feet (568') geodetic datum (the said plane being the top of the new nine inch (9") roof slab of the upper basement garage).

THIRDLY:

the sub-surface of part of Lot Three Mundred and Seven (307) according to said Plan 1769 York and of parts of Lots One Mundred and Mine (109), One Mundred and Thirteen (113), One Mundred and Fourteen (iii) and One Mundred and Fifteen (115), according to Plan 2423 York, registered in the said Registry Office for the City of Thronto, designated as PART THREE (3) on the said Reference Plans, being all that part of PART THREE (3) lying below an incline plane, the southern extremity of said incline plane having an elevation of five hundred and sixty-eight feet (568) geodetic datum and the northern extremity of suid incline plane having an elevation of five hundred and seventy two feet (572) geodetic datum (the said plane being the top of the new nine inch (9") roof slab of the upper basement garage).

FOURTHLY:

the surface of parts of Lots Three Hundred and Seventy-two (372) and Five Hundred and Fifty (550) according to said Plan 1775 York, registered in the said Registry Office for the Registry Division of the East and West Riding of the County of York, designated as PART FOUR (4) on said Reference Plan, being all that part of PART FOUR (4) lying above a horizontal plane having an elevation of five hundred lying above refer (577') geodetic datum (the said plane being the top of the existing roof slab of the upper basement garage).

As to all the lands FIRSTLY, SECONDLY, THIRDLY and FOURTHLY above described:

SUBJECT TO and TOGETHER WITH the burden and benefit of all the covenants and conditions of a certain Agreement dated the twenth day of April, 1970, and made between Cadillac Development Corporationited, of one part, and London Life Insurance Company, of the oth part, which Agreement was registered in the Registry Office for the City of Toronto on the 7th day of April, 1970, as Instrument No. 1/2/75 EN , and in the Registry Office for the Registry Division of the East and Nest Riding of the County of York on the day of April, 1970, as Instrument No. 558375

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company May 12, 1970 112203 E.N..

AGREEMENTS

Agreement with Village of Forest Hills, registered January 9, 1967, as No. 102750 E.N.
Agreement with London Life Insurance Company, registered May 7, 1970 as Instrument 112175 E.N. (558454 York)
Subject to Easement in favour of Bell Canada, as set out in Instrument No. 116138 E.N. registered October 29, 1971.

12. UNIVERSITY CITY LI BLES 1920 CARS

Parcel A-1, in the Register for Section M-1299 Parcel B-1, in the Register for Section M-1299 Parcel C-1, in the Register for Section M-1299 Parcel D-1, in the Register for Section M-1299 being:

All and Singular those certain parcels or tracts of land and premises situate, lying and being in the City of North York, in the Municipality of Metropolitan Toronto and being composed of the whole of Block "A", as shown on Registered Plan Number M-1299, filed in the office of Land Titles at Toronto, the whole of Block B, as shown on said registered plan M-1299, the whole of Block D, as shown on said registered Plan M-12 and

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Borough of North York, in the Municipality of Netropolitan Toronto, and being composes of this whole of Block C, according to Plan M-1299, filed in the Office of Lanz Titles at Toronto;

SUBJECT to an elsement in favour of the Burouth of Nirth York for storm severs over Part 1 on Plan R-1186, as set out in E-10/927;

SUBJECT to a permanent earmonnt, earmonnt or rights in the nature of elegancy in Javour of the McMidirAllis or Pointarchish Januard, to enter an, under an across: That bear of rold block Gust about in thom cubines on only Plan below (Finchish value on Farmers). For the construction, operation, usy, inspection, repair, EautoFathers and alteration of the Finch avants where Montar Paint no building or structure other than those editing at the cute of Registration hereof small be erected or pland upon the maid land and the mid-land is to remin unnitured by any work which might damage or entanger the sair Finch Avenue Water Main, Upon completion of the construction of the sair Finch Avenue Water Main, the lands above described will be restored as nearly or is reasonably possible to its previous condition as set out in Application 5-103618;

SUBJECT TO an easement as set out in Instrument No. B 409927.

UNIVERSITY CITY REC CENTRE

Parcel E-1, in the Register for Section M-1299, being that part of Block E; according to Plan M-1299, designated as PART 32, on a Plan of Reference deposited in the Office of Land Titles at Toronto as 66R_5909

SUBJECT TO Notice of Agreement with Hydro-Electric Commission of the Borugh of North York, registered July 12, 1971, as No. B291275;

SUBJECT TO Agreement with Housing Corporation Limited, registered November 20th, 1972, as No. B346856;

SUBJECT TO an Agreement with Urban York Limited, registered September 26, 1973, as No. B391171;

AND SUBJECT TO Notice of Lease with University City Recreation Centre Limited, registered as No. A 424948.

MORTGAGES

Mortgagee	*.**	Registration Date	
London Life Insura London Life Insura London Life Insura London Life Insura	nce Company	January 30, 1973 March 29, 1972 October 22, 1974 May 6, 1970	B355912 B316492 A459026 B261504

AGREEMENTS

Subject to Notice of Agreement with the Borough of North York, registered Instrument No. B240809;
Notice of Agreement with Borough of North York, registered January 21, 1974, as No. B-409928;
Notice of Agreement with Borough of North York, registered October 27, 1972, as No. B-342478.
And Subject to Airport Zoning Regulations.

fle 02,85.

13. CLINTWOOD COURT

the whole of Parcel 14991-A, in the Register for East Section, Township of York, being in the Borough of North York, in the Municipality of Metropolitan Toronto, being composed of that Part of Block A, as shown on Plan M-788, registered in the Land Registry Office for the Land Titles Division at Toronto and being shown on a plan of survey of record in the said Office as Plan R-522, and designated thereon as Part 1.

the whole of Parcel 14991-B in the Register for East Section, Township of York, being in the Borough of North York, in the Municipality of Metropolitan Toronto, being composed of that Part of Block A as shown on Plan M-788, registered in the Land Registry Office for the Land Titles Division of Toronto and being shown on a Plan of Survey of Record in the said Office as Plan R-522, and designated thereon as Part 2.

SUBJECT TO Plan BA-1664 and Plan BA-1665, under the Boundaries Act.

AND SUBJECT TO an easement in favour of Hydro Electric Commission of the Township of North York, as set out in Instrument No. A68270

MORTGAGES

Mortgagee	Registration Date	and Number
National Trust Company Limited	February 3, 1961	66654
National Trust Company Limited	February 3, 1961	66655

14. IVORDALE 60 MKICKETTS.

the whole of Parcel D-1, in the Register for Section M-646

D-1 7000.1
Ty of Scalbolo of the fand heternages patricularly described namely.
That pail of Black D. on Plan M LAU (Scallow) filed in the Office of Stand Titles. Les esibed as follows. Commencing at a point in the Zenterly Rimit 9 Victoria Park Avenue, distant differed measured Southerly thereon from the Southerly
Traid Block C. It of each of the production Southerfor the finite of southerforms of the production Southerfor the finite of south of the Centerly finite of south Block C. There North I along the sound production and along the Contests finite of south Block C. It I feet, more of function the North Contests.
I minches, make at less, to the North task angle of send Block D. There Surher plang the Castelly limit of said Block D, Jington of less to the
South Earl angle of raid Black D. There werely long the Southerly limit of raid Black D. 198 Jewil, more at lear, to the South West angle of raid Black D. There were the south west angle of raid Black D. There were the south west and black D. Lang also the Laterly limit of raid Black D. Lang also the Laterly limit of victoria Peth Avenue, 1449 Jewil 10 inches, more at least 16 the point of commercem
Blocks E, F, and G, on said Plan M. LLL (Scalbolo) jiled as above, Silver to a town for high in Javour of the Township of Scalbolo over the South West would get Black G, as selfout in Nessited Medicine
SUBJECT TO Plan BA-1666 under the Boundaries as

SUBJECT TO Plan BA-1666 under the Boundaries Act.

MORTGAGES

Mortgagee	Registration Date and Number	
	Registration Date and Number	
The Canadian Bank of Commerce	. July 16, 1957 652857	

15. MAISONETTE APARTMENTS EM LAUS.

ESTLY: the whole of Parcel L-1, in the Register for Section M-646, being that part of Block L on Plan M-646, Scarborough, registered in the Land Registry Office for the Land Titles Division of Toronto and York as Part 1 on Plan 66R-6740.

ONDLY: the whole of Parcel H-1, in the Register for Section H-646,

MIGHALLY. 5126 & 5192	. PARCEL REGISTER
Section: Typ. of Scarbord	LETATE FEE BIMPLE
Section: Typ. of Scarbord	title asserting the procedure in the control of the
	MONTH HE SELECTION OF THE PROPERTY OF THE PROP
	SUBJECT TO SUBSCOUGHT ENTRIES THIS PLACES COMPANIES THE FOLLOWING LAND
1 1	
	LEGAL DESCRIPTION
FIRSTLY:	Blocks H and I and the northerly 174 feet throuthout from from to rear of Block 3 on Plan
	Hoof (Ecrough of Searparough) relitered in the Land Activity Office for the Land Titles Division of Metropolitan Toronto (No.66) at Toronto.
!	
	for the purposes of a sever over a strip of the sold lands and prenifes, 12 feet in
	I perpenducular width tutan & d
**	Compensions at a notice to the second of the
	Victoria Fark Avenue, distant southerly thereon 351 feet from the easterly limit of easterly limit of victoria Fark Avenue with the southerly limit of victoria Victoria Fark Avenue with the southerly limit of victoria Vict
	Thence desterie navallat was about Julian and the state of Greylaun Crescent march.
	I measured at wishe analys south all as the first the state of the angle is and idiatant ball feet
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	SCARBORGUCH OVER the morth-west deriver of Block W. or THE CORPORATION OF THE EDROUGH OF
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PECONDLY	Throughout from from the part tot Block J lyine to the south of the northerly 174 feet
	throughout from from to rear thereof on Pien Makes (boreagn or Starborough) registered in Thornton Tronton (No. 16) and Titles Division of Matropolitan Toronton (No. 16) at
As to the tands FIRSTLY and	(or all) of the boundaries of this land. See a. 5200:
As to the lands FIRSTLY and SECONDLY Sestribed.	
	(or all) of the boundaries of this land. See A-83196).
1 . 1	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1

	MORTGAGES
Mortgagee	
Mortgagee	Registration D.

Bank of Montreal

Registration Date and Number

August 8, 1956 623389

AGREEMENTS

Conditions, registered March 18, 1954, as Instrument No. 556126

Agreement with Texaco Canada Limited, registered June 1, 1973, as Instrument No. A392169.

.16. AINSLEY COURT CG

In the Borough of Scarborough, in the Municipality of Metropolitan Toronto and being composed of the whole of Block "C", according to a plan registered in the Land Registry Office for the Registry Division of Toronto Boroughs as 4268.

SUBJECT TO Plan BA_1669, under the Boundaries Act.

MORTGAGES

Montreal Trust Company

Registration Date and Number

January 3, 1958 212123Scarbor

AGREEMENTS

Agreement between Township of Scarborough and Robert McClintock, registered December 2, 1952, as No. 110447.Scarborough

2, BLDG 126 - 115-CRAIGHTON COURT

FIRSTLY:

ALL AND SINGULAR that certain p. or tract of land and premises situate, lying and being in the Pownship

Scarborough, in the County of , York and being composed of all of Lot Number Thirty-two (32; end part of Lot Thirty-three(33) / according to a plan filed in the Registry Office for the Registry Division of the East and West Riding of the County of York as No. 4362, and which said part Lot 33 is more particularly described as follows: COMMENCING at a point in the north-westerly limit of Rannock Street at the south westerly angle of the said Lot 33; THENCE north easterly et the south westerly angle of the said bot 53; inches north easterly long the said limit of Rannock Street and being a curve to the right having a radius of Six Andred and Porty One feet and Three and One-quarter Inches (641' 32") a distance of Mine feet and Six Inches (9' 6") more or less, to a point therein distant Minety Feet and Six Inches (90' 6") measured south westerly therealong from the limit between Lots 33 and 34 according to the said plan; fighted north westerly in a straight line, One Hundred and Sixty-Six feet end Eight Inches (166' 8") more or less to a point in the north westerly or rear limit of the said Lot 33 distent One Hundred and Three Feet (103') measured south westerly therealong from the said limit between Lots Nos. 33 and 34; THENCE south westerly, along the said rear limit of Lot No. 33, Twenty Two Feet (22') more or less, to the limit between Lots Nos. 33 and 32 according to the said plan; THENCE south easterly along the said limit between Lots Nos. 33 and 32, One Hundred and Sixty Eight Feet and Four and One Quarter Inches (168' 41") more or less to the place of Designation. beginning.

Parcel B-1, in the Register for Section M-725

Under Re-entry and Trunsfer 650970 Cr. c. maily 10050 coura miser no. 2-39-939 garillar participing analyzing analyzing limitab mise 15th June 1472 ... sently lidit is the owner in fee simple with an Absolute Title of:-That furt of Block B on Plan 1.-775 (Serough of Worth York) registered in the Office of 1-s Titles at Taronto, lying east of the following described line: Commencing at a point in t courberly limit of Biggin Court distant 270 feet westerly along said southerly limit and i production easterly from the northerly production of the easterly limit of the most easter portion of the sold Block B; Thence southerly parallel to the said easterly light of the most easterly portion of the said Block B, 150 feet; Thence south westerly in a straight!! 197 feet of inches more or less to a point in the south easterly limit of the most e-sterl nortion of suic Alock B distant 401 feet 5% inches measured south westerly thereon from th

SUBJECT TO Plan BA-1668, under the Boundaries Act.

MORTGAGES

Registration Date and Number Mortgagee 330

south exterly angle of the said most easterly portion.

DLY:	Parcel B-2, in the Register for Section M-725
i sconon	PANCIL B-2
- 1000 PM - 1000	A production of the contract o
Accountly 11874-A	
Esist York	PRINCIPLE.
fine helpes lave to term of the	That root of is the owner in fee single with an absolute Title of:-
** **	Micch F on Clan K-725 (Sorough of North York) registered in the Office of 1 and Titles a
.F the rath.	The second secon
	distint 270 feet westerly along said southerly limit and its modultion easterly from t
	northerly production of the easterly limit of the most easterly portion of said Block S
	thence southerly parallel to the said easterly limit of the most easterly portion of sa
	Block B 150 feet; Thence south westerly in a straight line 197 feet E} inthes more or
	to a point in the southeasterly limit of the most easterly portion of the said Alock E
	I distant Lbl feet 52 inches measured southwesterly thereon from the Loutheastern ungle of
	sold nost easterly portion; Thence southwesterly along the last mentioned southeasterly
-	12) feet 111 inches more or less to the intersection with a line drawn easterly of, name
	to and perpendicular distant 195 feet from the westerly limit of said Block B; Thence
	northerly along the last said parallel line 325 feet 63 inches more or less to a point
	southerly limit of Eiggin Court: Thence easterly along the southerly limit of Eiggin 3
	to the point of commencement.
	Subject to an essenant in favour of Victoria Park DEVELOPAZO
	Lingrate, its successors and assigns to enter at all times upon that part of block B on
÷	14-725 being the easterly 10 feet of the westerly 205 feet in perpendicular width of the
	Block B, extending from the southerly limit of Eiggin Court on the said plan to the so
	ensterly limit of Block B, as set out in 650720.
	Subject to the right, license, essented or rights in the nu
	of an esseent in favour of THE RUNICIPALITY CO RETROPOLITAN TORONTO (hereinafter call)
	"Metropolitum Corporation", to enter at any time upon that part of Block B on Flor No.7
	registered in the Office of Lond Titles at Toronto, being designated as PANTS 5 and 11
	plan of survey of record in the suid Office as R-1055, for the purpose of laying down,
	constructing, maintaining, altering, repairing or reconstructing a sever in, under and
	the said lands to be used in connection with the Eglinton-Victoria Park Sanitary Trunk
	Froject of the Ketropolitan Corporation, and for every such purpose the Ketropolitan C
	shall have access to the said lands at all times by its servants, employees and worker
	For the purpose of muintaining the said sanitary trunk sewer, the lands above de
	are to remain clear of, and unencumbered by buildings or atructures, and the said land
	to result undisturbed by any work which might injure or damage the said sanitary trunk
	it being expressly intended that after such date the owners or occurants of the said 1
	shall not be entitled to erect or place any buildings or structures or corry out any :
	work thereon, as set out in A-116127.
	and under the said Trunsfer A-111127, the owner of the above Charge 65126) consent
	thereto.

MORTGAGES

Mortgagee Registration Date and Number The London Life Insurance Company July 31, 1957 654263

.18. · CHARLTON COURT

CHARLTON COURT - NORTH

the whole of Parcel 12241, in the Register for Section East York, being the whole of Lot 3, Plan M-735. North York

CHARLTON COURT - SOUTH

the whole of Parcel 12242, in the Register for Section East York, being the whole of Lot 4, Plan M-735. North York.

MORTGAGES

Mortgagee	Registration Date	and Number
The London Life Insurance Company	January 28, 1959	A27639
The London Life Insurance Company	January 28, 1959	A27640

19. DON RIDGE TOWERS & S - N. 115.

parcel or tract of land and premises situate, lying and being in the Township of North York in the County of York and Province of Ontario, and being composed of that part of Block K according to a plan registered in the Registry Office County of York as No. 5439, more particularly described as follows:

COMMENCING at a point in the South Western limit of said Block K, distant 176.07 feet North Westerly therein from the Southern angle thereof;

THENCE North Westerly along the said South Western limit, 178.35 feet;

THENCE North Easterly along a line parallel to the North Western limit of said Block K, 313.77 feet more or less to the North Eastern limit of said Block K;

THEMCE South Easterly along the said North Eastern limit 178.09 feet more or less to the intersection with a line parallel to the aforesaid North Western limit drawn through the point of commencement.

THENCE South Westerly along the last described parallel line, 312.00 feet more or less to the point of commencement.

SUBJECT TO Plan BA-660, under the Boundaries Act.

MORTGAGES

Mortgagee

Registration Date and Number

The Canada Life Assurance Company

June 6, 1960

384429

. AGREEMENTS

Agreement with Township of North York, registered July 17, 1958, as Instrument no. 284908 North York.

Restrictions running with the land as set out in Instrument No. 370996

.20. · FOREST GROVE

FOREST GROVE - NORTH

... All and Eduquar that certain percel or tract of land and premises situate, birg and being lin the Village of Forest Hill in the County of Work and being composed of all of Lots 11, 12 and 13 as shown on Plan 711 York which said parcel may be better known and described as follows:

COMMENCING at the southwest angle of Lot 13 aforesaid;

THENCE EASTEPLY along the northerly limit of Montelair Avenue 162 feet 9 inches to the southeast angle of said Lot 11;

THENCE NORTHERLY along the easterly limit of Lot 11 aforesaid 120 feet 0 inches to the northeast angle of said Lot 11;

THENCE WESTERLY along the northerly limit of Lots 11, 12 and 13 aforesaid 164 feet 4 inches to the northwest angle of said Lot 13;

THENCE SCUTHERLY along the Westerly limit of Lot 13 aforesaid 120 feet 04 inch to the place of beginning.

FOREST GROVE - SOUTH

In the Village of Forest Hill, in the County of York and being composed of all of Lots 20, 21, and 22 according to registered Plan 711 York.

MORTGAGES

Mortgagee	Registration Date	and Number
Montreal Trust Company	September 9, 1963	35931 Forest
Montreal Trust Company	September 11,1963	35933 Forest

20,000 (900000)

21. HUMBER RIDGE

- Parcel A-1, in the Register for Section A.

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of North York, in the Municipality of Netropolitan Toronto (formerly Township of North York, County of York) and being composed of the whole of Block "A", according to a Plan filed in the Office of Land Titles at Toronto, as Plan M-175
SUBJECT TO an easement in favour of City of North York as set out in Instrument No. B 192998.

AND SUBJECT TO Airport Zoning Amendment Agreement.

MORTGAGES

Mortgagee Registration Date and Number

Central Mortgage & Housing Corporation September 8, 1961 B70516

AGREEMENTS

Agreement with Central Mortgage & Housing Corporation, registered September 8, 1961, as Instrument No. B70515.

22. MORNINGSTAR) ALINES LUE 13

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Mississauga, Regional Municipality of Peel (formerly the Town of Mississauga, County of Peel, and being composed of all of Blocks "C" and "D" according to a Plan registered in the Registry Office for the Registry Division of Peel as Number 804.

SUBJECT to easements in favour of The Bell Telephone Company of Canada and Hydro-Electric Commission of the Township of Toronto (now City of Mississauga) over the aforesaid Blocks "C" and "D" as set out in instrument Number 51610VS.

SUBJECT TO Notice of Toronto Malton Airport Zoning Regulations.

MORTGAGES

Mortgagee Registration Date and Number

Central Mortgage & Housing Corporation November 23, 1970 155552Mississ

Subject to Operating Agreement with Central Mortgage & Housing Corporation, registered September 28, 1970

Subject to Agreement with Township of Toronto, registered February 22, 1967, as Instrument 33088 V.S. and September 5, 1967, as Instrument No. 50644 V.S.

23. ARBOUR GREEN SILAITS

The whole of Parcel XX-1, in the Register for Section M-122 being All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Mississauga, in the Regional Municipality of Peel, (formerly in the Township of Toronto, County of Peel) and being composed of Block XX, according to a plan of subdivision filed in the Land Registry Office for the Land Titles Division of Peel (No.43) as M-122.

SUBJECT TO the rights and easements in favour of Ontario Water Resources Commission, in perpetuity on, in, across, under and through Part 17, Plan 43R-3281, for the purpose and with the terms and conditions as set out in Instrument $162364\ V.S.$

AND SUBJECT to an Easement in favour of The Bell Telephone Company of Canada, more particularly set out in Instrument No. 148770.

MORTGAGES

Mortgagee -- Registration Date and Number
Guaranty Trust Company of Canada October 29, 1979 240645

AGREEMENTS

Agreement with The Corporation of the City of Mississauga, registered February 16, 1976, as Instrument 68249;

Agreement with The Regional Municipality of Peel, registered May 22, 1979, as Instrument 218942;

Agreement with Mississauga Hydro-Electric Commission, registered May 29, 1979, as Instrument No. 219880; and

Agreement with The Regional Municipality of Peel, registered July 14, 1980, as Instrument No. 274704.

24. SIR JOHN'S GLEN (1 . MIN

The whole of Parcel E, in the Register for Section M-200 being

All and Singular that certain parcel or tract of land and premises situate lying and being in the City of Mississauga, in the Regional Municipality of Peel and being composed of the whole of Block E, according to a plan of Subdivision filed in the Land Registry Office for the Land Titles Division of Peel as M-318.

Notice of Agreement with Mississauga Hydro-Electric Commission and Bell Canaregistered March 9, 1981, as Instrument 307399;
Notice of Agreement with Hiram Walker-Consumers Home Ltd., operating as The Consumers' Gas Company, registered April 16, 1981, as Instrument 312802;
Notice of Agreement with Citicorp Realty Ltd., registered April 1, 1982 as Instrument 370383.

The whole of Parcel FF-1, in the Register for Section M-199, being

All and Singular that certain parcel or tract of land and premises situate, lying and being in the City of Mississauga, in the Regional Municipality of Peel (formerly in the Township of Toronto, County of Peel) and being composed of the whole of Block FF as shown on a Plan of Subdivision filed in the Land Registry Office for the Land Titles Division of Peel as M-199.

SUBJECT TO easements in favour of The Corporation of The Town of Mississauga more particularly set out in Instruments 174663VS, 147667VS, 174669VS, 17465

Mortgagee Registration Date
Guaranty Trust Company of Canada August 13, 1980 and Number 278333

AGREEMENTS

Notice of Agreement with the Corporation of the City of Mississauga, registe July 21, 1978 as Instrument 182410; Notice of Agreement with The Hydro-Electric Commission of the City of Mississaga and Bell Canada, registered August 8, 1978 as Instrument 184627; Notice of Assignment of Rents with Guaranty Trust Company of Canada, register October 28, 1980 as Instrument 288011.

26. BAY CHARLES 140' CANTS

All and Singular that certain parcel or tract of land and prem. situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and Province of Ontario, more particularly desc.

Parts of Lots 28, 29, 30, 31, 32, 33, 34, 35, 36 and 67 and Part of a Lane as closed by the Corporation of the City of Toronto By-Law 378-70 dated the 9th day of December, 1970 and registered on the 8th day of February, 1971 in the Land Registry Office for the Land Registry Division of Toronto (No. 63) for the City of Toronto as Instrument Number 147438EP, all as shown on a Plan registered in the Land Registry Office aforesaid as D-276 and designated as Part 1 on a Plan of Record in the said Office as 63R-1622 (hereinafter called the "Within Lands"). TOGETHER WITH the following easements and rights in, over, along and upon lands and premises in the said City of Toronto being composed of Lots 64, 65 and 66 and those Parts of Lots 36, 37, 38, 39, 40 and 67 and Part of a Lane as closed by the Corporation of the City of Toronto By-Law 378-70 dated the 9th day of December 1970 and registered on the 8th day of February, 1971 in the Land Registry Office for the City of Toronto (No. 63) as Instrument Number 147438EP, all as shown on a Plan registered in the Land Registry Office aforesaid as D-276 and designat as Parts 2, 3 and 4 on the said Plan of Record 63R-1622 (hereinafter called the "Adjacent Lands"):

- (a) a permanent right-of-way and easement over Part 2 on the said Plan 63R-1884 on the Second Floor Level for the construction, maintenance and use of a swimming pool, pool deck, lifeguard room and pool equipment room;
- (b) a permanent right-of-way over Part 4 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of a driveway for vehicles;
- (c) a permanent easement over Part 5 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of walkways and recreation areas including playground.
- (d) a permanent easement over Part 6 on the said Plan 63R-1884 on the Ground Floor Level, First Basement Level, Second Base Level, Third Basement Level and Fourth Basement Level for the construction, maintenance and use of air shafts;
- (e) a permanent right-of-way and easement over Part 7 on the sa: Plan 63R-1884 on the Ground Floor Level for a driveway and loading area for pedestrians and vehicles to provide access garbage disposal facilities;
- (f) a permanent right-of-way over Part 8 on the said Plan 63R-l on the Ground Floor Level for the construction, maintenance and use of a pedestrian walkway;
- (g) a permanent right-of-way over Part 16 on the said Plan 63Ron the First Basement Level for the construction, maintenan and use of a driveway for vehicles;
- (h) a permanent easement over Parts 17 and 18 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use of visitor parking;
- (i) a permanent easement over Part 19 on the said Plan 63R-188 the Second Basement Level for the installation, maintenancuse of hydro conduit cables;
- (j) a permanent right-of-way over Parts 20 and 21 on the said 63R-1884 on the Second Basement Level for the construction maintenance and use of a driveway for vehicles:
- (k) a permanent right-of-way over Parts 24 and 27 on the said 63R-1884 on the Third Basement Level for the construction, maintenance and use of a driveway for vehicles;

- (1) a permanent right-of-way over Part 28 on the said Plan 63R-1t on the Fourth Basement Level for the construction, maintenance and use of a driveway for vehicles;
- (m) a permanent right-of-way and easement over Part 29 on the said Plan 63R-1884 on the Fourth Basement Level for the construction, maintenance and use of a car wash bay;

AND SUBJECT TO the following easements and rights:

- (a) a permanent right-of-way and easement over Part 1 as shown on a Plan of Record filed in the said Land Registry Office as 63R-1884 on the Second Floor Level for the construction, maintenance and use of a swimming pool, pool deck, corridor to stairs to mechanical room;
- (b) a permanent right-of-way and easement over Part 3 on the said Plan 63R-1884 on the Mezzanine Level for the construction, maintenance and use of mechanical room;
- (c) a permanent right-of-way over Part 9 on the said Plan 63R-1824 on the Ground Floor Level for the construction, maintenance and use of walkways and recreation areas;
- (d) a permanent right-of-way and easement over Part 10 on the said Plan 63R-1884 on the Ground Floor Level for the construction, maintenance and use of a driveway for vehicles and a pedestrian walkway;
- (e) a permanent right-of-way over Part 11 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use of a driveway for vehicles;
- (f) a permanent easement over Parts 12, 13, 14 and 15 on the said Plan 63R-1884 on the First Basement Level for the construction, maintenance and use for visitor parking.

AND TOGETHER WITH:

- (a) a permanent right in the nature of an exclusive easement and in the nature of an exclusive licence over Parts 22 and 23 on said Plan 63R-1884 on the Second Basement Level for the parking of automobiles for the sole benefit of the Within Lands;
- (b) a'permanent right in the nature of an exclusive easement and in the nature of an exclusive licence over Parts 25 and 26 on said Plan 63R-1884 on the Third Basement Level for the parking of automobiles for the sole benefit of the Within Lands:

IT BEING UNDERSTOOD AND AGREED that the rights and easements hereinbefore set out are for the benefit of the owners, encumbrancers, tenants and occupants of the Adjacent Lands and the Within Lands and all others entitled to use and enjoy the same from time to time.

MORTGAGES

Mortgagee Registration Date and Number
London Life Insurance Company February 1, 1980 CT398877

AGREEMENTS

Agreement with The Corporation of the City of Toronto, registered Science 25th, 1969, as Instrument No. 144027 EP

AGREEMENTS

Agreement with the Corporation of the City of Toronto, registered Septembe. 29, 1970, as Instrument no. $83085\Xi M$

Agreement with the Corporation of the City of Toronto, registered February 11, 1971, as Instrument No. 83882 EM

Agreement with the Corporation of the City of Toronto, registered April 3, 1975, as Instrument No. CT 113295

Agreement between The Corporation of the City of Toronto and The Cadillac Fairview Corporation Limited, registered July 8, 1977, as Instrument No. CT 242007;

Agreement between The Cadillac Fairview Corporation Limited and The Corporation of the City of Toronto, registered September 20, 1978, as Instrument No. CT 317943;

Agreement with The Citadel General Assurance Company, registered October 18, 1978, as Instrument no. CT 322766;

Agreement with The Corporation of the City of Toronto, registered November 27, 1978, as Instrument No. CT 330053;

Co-operation Agreement with Pagebrook Multi-Holdings Partnership and Pagebrook Multi-Holdings Inc., registered November 14, 1979 as Instrument No. CT 388066;

Amending Agreement with The Corporation of the City of Toronto, registered ...January 16, 1981, as Instrument No. CT 453534;

Agreement with The Corporation of the City of Toronto, registered July 23, 1981 as Instrument No. CT 489917.

	Schedule "A"	Mortgage Amoun
ĭ.	PARKWAY FOREST	\$16,800,000.00
2.	HORIZON HOUSE -	2,600,000.00
ġ.	HORIZON VILLAGE	3,800,000.00
4.	SUMMIT PLACE	2,700,000.00
5.	THE TOWNE	9,700,000.00
6.	BRETTON PLACE	7,600,000.00
7.	ROSEDALE EAST -	4,600,000.00
8.	HAMPTON HOUSE	3,700,000.00
9.	PARK PLACE	13,800,000.00
0.	GRENADIER SQUARE	6,800,000.00
ì.	ROSEBURY SQUARE	5,600,000.00
2.	UNIVERSITY CITY	14,100,000.00
3.	CLINTWOOD COURT	1,200,000.00
4.	IVORDALE	1,300,000.00
5.	MAISONETTE APARTMENTS	1,900,000.00
6.	AINSLEY COURT	800,000.00
7.,	CRAIGHTON COURT	1,800,000.00
8.	CHARLTON COURT	1,750,000.00
9.	DON RIDGE TOWERS	650,000.00
0.	FOREST GROVE	1,600,000.00
l.	HUMBER RIDGE	nil
2.	MORNINGSTAR	nil
3.	ARBOUR GREEN	2,000,000.00
4.	SIR JOHN'S GLEN	2,200,000.00
5.	MILLWAY VILLAGE	4,000,000.00
6.	BAY CHARLES	1,600,000.00

TERMS

Each second mortgage shall contain the following provisions:

(i) interest shall be at the rate of interest equivalent to the prime rate of interest quoted as being charged by The Toronto-Dominion Bank for Canadian Dollar loans to its most favoured commercial borrowers in Toronto plus one-half of one per cent calculated and payable monthly. Such interest rate shall be adjusted on the first day of each month based on the aforesaid prime rate in effect on that date and such adjusted interest rate shall be applied throughout said month, and without the necessity of any notice of such change to the mortgagor;

- (ii) the term shall be for 6 years from the Closing Date;
- (iii) provided that this mortgage is not in default, upon the maturity of the existing prior mortgage of the lands mortgaged herein, the mortgagee, at the expense of the mortgagor, shall execute and deliver an agreement to postpone the within mortgage to a replacement first mortgage of an amount equal to the principal balance outstanding under such prior mortgage as at its maturity, provided that firstly, the monthly installment of principal and interest payable under such replacement first mortgage does not exceed an amount equivalent to seventy per cent (70%) of the cash flow net of expenses in the immediately proceeding twelve (12) month period arising from the Lands mortgaged herein prior to any payment on account of principal and interest of any mortage or encumbrance of the within Lands and secondly, any principal balance of such replacement first mortgage which exceeds the principal balance of such replacement first mortgage which exceeds the

principal balance of the prior mortgage outstanding on its maturity date, shall be applied to reduce this mortgage back in this transaction.

- (iv) the mortgagor shall have the privilege of prepaying the whole or any part of the principal sum outstanding, without notice or bonus.
 - (v) the guarantee of the Vendor.

Letter dated October 5, 1982 from Kitamura, Yates to Prousky and Biback and Broadhurst & Ball re respective responsibilities in Cadillac Fairview transaction



KUTAMURA YATES MARGOLIS MASTIN & CHAMPAGNE

Marristers & Solicitors

ARTHUR R. E. TAMURA

JOHN B YATES DONALD C CHAMPAGNE

WILLIAM M LEHUN ALJ REVNOLDS MASTIN

M SANDRA APPEL NNW WRIGHT

WERYL B GUIEN ALEXANDER'N BURKE

SUITE 1702 11 KING STREET WEST TORONTO, CANADA M5H 1A (416) 868-0464 CABLES: "TRADELAW TOR" TELEX: 065-23076 TDX Box No. 91

, October 5, 1982

COUNSEL

MARSHALL K MARGOLIS

Prousky & Biback Barristers & Solicitors Toronto, Ontario

4th Floor, 2 Toronto Street M5C 2B6

Gordon, Traub & Rotenberg Broadhurst & Ball Barristers & Solicitors 5th Floor, 390 Bay Street Toronto, Ontario M5H 2Y2

Barristers & Solicitors 2 Robert Speck Parkway Mississauga, Ontario L4Z 1H8

Attention: V. Prousky

Attention: S. Pearlstein

Attention: D. Allport

Dear Sirs:

Re: 526001 Ontario Inc. et al purchase from Kilderkin Investments Ltd.

Further to our meeting on Friday, October 2, 1982, I would like to confirm the scheduling of another meeting on Friday, October 9, 1982 at 2:00 P.M. at our offices. For the purposes of this letter our firm will be referred to as KYM; Prousky & Biback will be referred to as PB; Gordon, Traub & Rotenberg as GTR; and Broadhurst & Ball as BB. In order to ensure that each firm knows what their respective responsibilities are, I am going to set same down so far as I know them:

- KYM will be acting for the purchasers only, and will direct and co-ordinate the closing of the transaction with the assistance and cooperation of PB, GTR and BB. We will be responsible for the preparation of the Land Transfer Tax Affidavits, and the obtain of the residency stamps from the Assessment Offices, as well as determining the purchase prices and the amount of the 3rd and 4th mortgages.
- BB will be acting for Kilderkin Investments Ltd. and Seaway Trust Company (and in some of the mortgages, perhaps for Crown Trust Company and Greymac Trust Company), and will be certifying title to KYM.

BB will be responsible for the preparation of:

- (a) Agreement of Purchase and Sale between Greymac Credit Corporati and Kilderkin Investments Ltd. (please obtain whatever assistance you deem necessary herein from PB and GTR).
- (b) Agreements of Purchase and Sale (26) between Kilderkin Investments Ltå. and the Purchasers.
- (c) 3rd Wrap Mortgages in favour of Seaway Trust Company, Crown Trust Company and Greymac Trust Company (in their respective proportions; please note the request of Seaway Trust Company to be in control of at least 50% of the syndicated Mortgages).
- (d) 4th Wrap Mortgages in favour of Kilderkin Investments Ltd.
- (e) Lease Agreements (26) between Kilderkin Investments Ltd. and the Purchasers.
- (f) Notice of Lease (26) for registration.
- (g) Statements of Adjustments (26) between Kilderkin Investments Limited and the Purchasers, and I feel that for the sake of continuity, the adjustments from the Cadillac-Greymac transaction should be passed through as calculated.

It would appear that the details of the Mortgages are to remain as KYM originally indicated to BB, but do not be surprised if changes are requested.

 $\,$ Len Walton is finalizing the details of the leasing and will be delivering information sheets to KYM and BB.

3. PB and GTR will be acting for Greymac Credit Corporation (and perhaps part of the mortgaging from Crown Trust Company and Greymac Trust Company) and will be certifyi:

In this regard, we understood that:

- (a) All titles are to be clear subject to the "permitted encumbrances" as per Cadillac Greymac offer.
- (b) Statutory Declarations of Possession and building are to be obtained for each building/complex with existing surveys attached (in those instances where there were no surveys, we understand that new surveys have been ordered and will be attached to the Statutory Declaration).

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- (c) Mr. Pearlstein will be obtaining for us from Goodmand and Goodman/ Cadillar-Fairviev/CMHC the necessary information in writing as to the status of the three murb buildings for write-off purposes.
- (d) Mr. Pearlstein is to obtain for us a photocopy of the Operating Agreement for the "Limited Dividend" building known as "Morningstar".
- (e) Mr. Pearlstein and Mr. Prousky are to provide written opinions with respect to the Operating Agreements for the "Limited Dividend" building: (Mr. Pearlstein for Morningstar) and (Mrs. Prousky for Humber Ridge) having regard to:
 - (i) their current status
 - their effect upon the respective buildings
 - the effect of this contemplated sale (iii)
 - the effect of new mortgaging being registered against the respective buildings
 - (v) the effect of any attempts to increase the rents the effect of paying out the respective mortgages (vi)
 - (vii) the effect of the Agreement to be given to Cadillac. on closing to honour all of Cadillac's obligations, etc., under any of its agreements being assumed
 - (viii) the liability of the Purchasers with regard to any or all of the above.
- (f) All documentation for Mortgages requiring consent and/or assumption agreements will be in order before closing.
- (g) PB and GTR are to have prepared and to have reviewed to the satisfaction of BB and KYM, the following:
 - (i) the second Mortgages
 - Assignments of Land Lease for any leasehold interest acquired by (ii) the Purchasers
 - (iii) Agreements of Purchasers to assume Cadillac's obligations with
 - respect to agreements concerning the buildings any other agreements required by Mortgagees (iv)
 - agreements of Purchaser to observe Cadillac's obligations under (v) any leases being assigned in the transaction
 - Statement of Adjustments and all other necessary documentation. (vi)

As all parties will appreciate, BB will require draft documents and other documents immediately to finalize the documentation, and in this regard, BB will require the following (with a copy of all to be sent to KYM):

- (a) Draft Deeds
- (b) Draft Second Mortgages
- (c) First Mortgage Statements
- (d) Statements of Adjustments
- (e) All other documentation called for in the Cadillac-Greymac Agreement of Purchase and Sale.

I would appreciate PB and GTR ensuring that the descriptions in the Deeds are up-to-date and ready for registration inasmuch as the registrations on many of the properties took place over fifteen years ago. I can also appreciate that some of the descriptions will require amending, but would request that all draft Deeds that do not require any amending be forwarded to BB and KYM as soon as possible for our files.

Should anyone have any questions, please do not hesitate to call.

Yours very truly,

KITAMURA YATES MARGOLIS MASTIN & CHAMAPGNE

Per:

William M. Lehun

WML/lm

Letter dated November 29, 1982 from the Kitamura, Yates firm to Fasken & Calvin



NAMURA YATES MARGOLIS MASTIN & CHAMPAGNE

Marristers & Solicitors

ARTHUR R KITAMURA

DONALD C CHAMPAGNE

A J REYNOLOS MASTIN

JOHN W WRIGHT

ALEXANDER N BURKE

JOHN B. YATES
WILLIAM M. LEHUN
M. SANDRA APPEL
BERYL B. GREEN

MARK S. KORN

MARSHALL N. MARGOLIS

November 29, 1982

SUITE 1702

11 KING STREET WEST
TORONTO, CANADA MSH 1AS
(416) 868-0464

CABLES: "TRADELAW TOR"
TELEX: 065-23076

TDX Box No. 91

PERSONAL AND CONFIDENTIAL

D.J. Wheat, Esq., Messrs. Fasken & Calvin, Barristers and Solicitors, Suite 3000, P.O. Box 30, Toronto-Dominion Centre, Toronto, Ontario. MSK 1C1

Dear Sir:

Re: Purchase of Land and Buildings from the Cadillac Fairview Corporation

Further to our meeting of November 9th at which we advised you that all of the issued shares of the Purchaser Companies are held by separately constituted trusts (the "Trusts"), we have met with our clients and are advised that:

- no Trust holds shares in more than one Purchaser Company.
- none of the Purchaser Companies are beneficiaries under any of the Trusts.
- 3. no person or entity holds a beneficial interest in more than one of the Trusts such that any of the Purchaser Companies would be associated for purposes of the Income Tax Act.

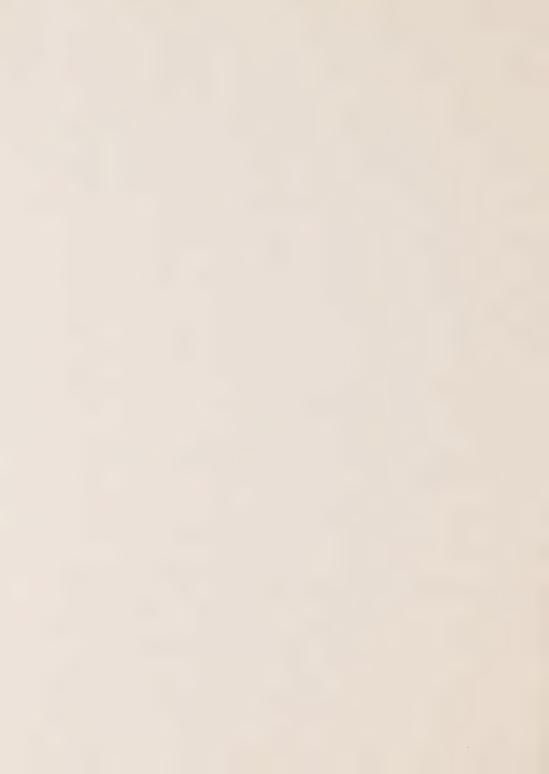
Yours very truly,

KITAMURA YATES MARGOLIS MASTIN & CHAMPAGNE

D.C. Champagne

DCC/aw

DELIVERED



Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties - The Towne -- Agreement of Purchase and Sale between Kilderkin and 526010 and 526011 Ontario Inc.



AGREEMENT OF PURCHASE AND ALE

BETWEEN:

 $\frac{526010}{\text{of}}$ ONTARIO INC., incorporated under the laws of the Province of Ontario,

526011 ONTARIO INC., incorporated under the laws of the Province of Ontario,

hereinafter called the "Purchaser"

OF THE FIRST PART.

- and -

KILDERKIN INVESTMENTS LTD, IN TRUST,, a corporation incorporated under the laws of the Province of Ontario,

hereinafter called the "Vendor"

OF THE SECOND PART,

WITNESSETH THAT:

IN CONSIDERATION of the mutual covenants and agreements herein contained and for other good and valuable consideration:

ARTICLE I

DEFINITIONS

- 1.01 IN THIS AGREEMENT, the following words or phrases shall have the following meanings:
 - (a) "Authority" means any governmental authority, body, agency, department, whether federal, provincial or municipal, and any board of fire underwriters having or claiming jurisdiction over the Property;
 - (b) "Building" means the existing apartment building(s) on the lands as described in Schedule "A" hereto, including the heating, air conditioning, plumbing, electrical, elevators, ventilating, boilers, compressors, transformers, drainage and other mechanical systems and equipment comprising part thereof and other improvements presently erected in or upon the Lands;

- (c) "Chattels" means the chattels and equipment and other tangible personal property located in each building and owned and used by the Vendor in its operation and maintenance of the Property, including refrigerators, stoves, existing storms and screens, broadloom where laid and owned by the Vendor, drapes where owned, maintenance equipment, supplies and any washing machines and dryers located in the laundry room;
- (d) "Chattel Mortgage" means the chattel mortgage, if any, given as collateral security to the mortgagee in respect of the First Mortgage;
- (g) "Closing" or "Closing Date" means the 8th day of November, 1982, or such earlier or later date as may be agreed to in writing by the parties or their respective solicitors;
- (f) "Land(s)" means the parcel of land more particularly described in the legal description annexed to this Agreement as Schedule "A", together with all easements, rights-of-way, privileges and appurtenances belonging to and enuring to the benefit thereof:
- (g) "Leases" means the leases to the Tenants,
- (h) "Permitted Encumbrances" means:
 - (i) the First Mortgage and any assignment of Leases collaterally securing the repayment thereof;
 - (ii) any chattel mortgage held by the First Mortgagee secured on the appliances constituting additional security to the realty mortgage;
 - (iii) the Leases;
 - (iv) the agreements, if any, with adjoining property owners to share costs of common facilities, if any;

- (v) those agreements, if any, which are set out in Schedule "B" attached hereto; and
- (vi) existing easements,
 rights-of-way and appurtenances.
- (i) "Property" means collectively the Chattels, the Building(s) and the Lands;
- (j) "Tenants" means the tenants and occupants of the Property;
- (k) "Systems" means the roof, supports, bearing walls, floors, foundations, garbage disposal and fire protection systems, mechanical and electrical systems owned by the Vendor and used by it in its operation and maintenance of the Buildings, including, without limitation, elevators and the heating, boiler, ventilating, air conditioning, electrical, sprinkler, drainage and plumbing systems;
- "Service Contracts" means any services, superintendents, maintenance, laundry, cable T.V., elevators or any other contracts affecting the Property;
- (m) "Land Lease" means the lease pursuant to which the Vendor has possession of the Lands comprising part of the Property.

ARTICLE II

PURCHASE OF PROPERTY

- 2.01 The Purchaser agrees to purchase and the Vendor agrees to sell the Property for a Purchase Price in lawful money of Canada of \$20,188,042.00 DOLLARS payable as follows:
 - (a) A deposit to the Vendor in the sum of One Thousand Dollars (\$1,000.00) to be held in trust by it pending completion of this Agreement, and to be credited to the Purchase Price on closing;

(b) by the execution of a wrap-around mortgage in favour of Kilderkin Investments Ltd. in the principal amount of \$15,141,325.00 for a term of 5 years from the closing date with interest at the rate of twelve per cent (12%) per annum calculated half-yearly not in advance and repayable in blended monthly instalments of principal and interest based on a twenty-five year amortization period, with prior mortgages set forth in Schedule "C" attached hereto. The Mortgage shall contain the privilege of renewal for a further term of 5 years on the same terms, save for further renewal, at the mortgagee's option;

- (c) as to the remainder, by way of:
 - (i) cash; or
 - (ii) cash to be invested in a certificate(s) of deposit at a financial institution upon initial terms and succeeding terms to the end of the term of the Head Lease, all to the Purchaser's choice, the certificates as to principal and interest to be paid to the Vendor at the end of the term of the Head Lease, subject to provisions therein pertaining to early termination; or
 - (iii). Letter of Credit drawn on a chartered bank of the Purchaser's choice to be paid at the end of the term of the Head Lease, subject to provisions therein pertaining to early termination; or
 - (iv) any combination of the foregoing (i),(ii) and (iii) sub-clauses of paragraph2.01(c).

ARTICLE III

PURCHASER'S EXAMINATION

- 3.01 The Vendor covenants and agrees to deliver to the Purchaser within five (5) days following the Acceptance Date:
 - (a) a current rent roll prepared of all of the Leases disclosing details of rentals, prepaid rentals and termination dates of all Leases;
 - (b) such surveys of the Lands and Building(s)
 as the Vendor has in its control and possession;
 - (c) copies of all Leases;
 - (d) copies of Financial Statement of Operations pertaining to the Property for the period ending February 28, 1982.
- 3.02 The Vendor agrees to allow the Purchaser and the Purchaser's authorized representatives access to the proof of out-of-pocket expenses paid to third parties including tax bills, utilities charges, oil and gas and to take copies of all

relevant information relating thereto as to the operation of the Property.

- 3.03 (i) If the Purchaser shall notify the Vendor within the period of three (3) days next following the Acceptance Date that:
 - (a) the Purchaser does not approve the Leases or the state of repair of the Building(s) or
 - (b) the Purchaser is not satisfied with its examination of the proof of out-of-pocket expenses; or
 - (c) the Purchaser is not satisfied with the Statement of Financial Operations pertaining to the Property; or
 - (d) the Building(s) comprising the Property or the existing uses thereof do not comply with all relevant by-laws, orders, regulations or statutes of any municipal or other governmental authority or are not legal non-conforming uses;

then this Agreement shall, with the delivery of such notice, be at an end and the deposit shall be immediately returned to the Purchaser and neither party shall have any further rights or obligations hereunder. If, however, the Purchaser does not give any written notice to the Vendor pursuant to this Article 3.03 within such period, then the Purchaser shall, be deemed to be satisfied with respect to the aforesaid matters and the transaction of purchase and sale shall be completed as herein provided.

ARTICLE IV

WARRANTIES AND REPRESENTATIONS

4.01 The Vendor warrants and represents:

- (a) That it is not aware of any material work orders outstanding or pending by any Authority which the Vendor is not complying with or has not complied with. If there are any work orders outstanding or pending by any Authority of which the Vendor is not aware, the Vendor shall comply with same prior to the Closing Date. In the event that any work order is issued by any Authority between the date hereof and the Closing Date, the Vendor shall be responsible for complying with such work order;
- (b) that the Property or the existing use thereof does comply with any relevant by-law, orders, regulations or statutes of any Authority or is a legal non-conforming use;
- (c) it shall operate and manage the Property to Closing in the same manner as the Property has been managed to the date hereof;
- (d) the Vendor has good title, power, and absolute authority to convey the Property to the Purchaser on Closing in accordance with the intention of this Agreement free and clear of all encumbrances save for the Permitted Encumbrances;
- (e) at Closing, the Leases shall not have been asssigned or otherwise encumbered;
- (f) the Leases are and shall be on Closing valid and subsisting and consitute the entire and only agreements with the Tenants;
- (g) no Tenant is or shall be entitled to any concession, rebate, allowance or rent-free period after Closing with respect to the occupancy of its premises other than as stipulated in its Lease and that the residential rents as shown on the rent roll produced by the Vendor to the Purchaser, are legally chargeable under the provisions of the applicable rent review legislation;

- (h) that the Vendor is and shall be on Closing in good standing under the Land Lease;
- (i) no Tenant or any other person has or will have at Closing any right of first refusal or option to purchase the Property or any part thereof;
- (j) that the number of suites sold to the Purchaser pursuant to the terms hereof and included in the Property is 185 and that the rent roll and the Statement of Financial Operations pertaining to the Property as delivered pursuant to Paragraph 3.01 (d) hereof are presented fairly in accordance with generally accepted accounting principles;
- (k) that there shall not be outstanding against the Property as at Closing Date any capital levies, sewer impost fees, special assessments of a capital nature or any other similar charges.

ARTICLE V

VENDOR'S CLOSING DOCUMENTS

- 5.01 The Vendor covenants and agrees to deliver the following to the Purchaser on or before Closing:
 - (a) an assignment of the Land Lease, together with the Landlord's written consent, if necessary, to such assignment;
 - (b) a registrable Bill of Sale conveying title to the Chattels to the Purchaser;
 - (c) evidence of compliance with the Bulk Sales Act of Ontario from the present registered owner;
 - (d) a general assignment of the Leases to the Purchaser;

- (e) Directions advising the Tenants of the sale of the Property and directing and authorizing them to pay their rent to the Purchaser or as the Purchaser otherwise directs from and after Closing;
- (f) the originally signed Leases or photocopies where the original Leases are not available;
- (g) a Mortgage Statement confirming that the First Mortgage is in good standing;
- (h) a Statutory Declaration of an officer of the present registered owner having knowledge of the facts declared, wherein he declares as to the registered owner's possession and use of the Property to Closing;
- (i) a Statutory Declaration of an officer of the Vendor having personal knowledge of the facts declared, wherein he declares that the Vendor is the beneficial owner of the Property and is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada);
- (j) an assignment of all outstanding guarantees, warranties, and indemnities relative to the Building or the Property in possession of the Vendor, if any;
- (k) master keys;
- as-built architectural drawings that are in the Vendor's possession;
- (m) the consent of the First Mortgagee to assumption of its mortgage, if required;
- (mm) written acknowledgements from commercial Tenants as to the status of their respective Leases, in a form acceptable to the Purchaser, or statutory declarations from an officer of the present registered owner setting out the details of the Leases in the eve that a Commercial Tenant has not executed an acknowledgement. 359

- (o) a Special Resolution of the Vendor as required by Section 14 (2) (17) of the Business · Corporations Act.
- 5.02 All documents to be executed and delivered by the Vendor to the Purchaser on Closing shall be in form and substance satisfactory to the Purchaser's solicitors acting reasonably.
- at Closing shall be prepared and produced by and at its expense save that the cost of registering any document shall be at the Purchaser's expense. Any tender of money or document pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque certified by a Canadian chartered bank.

ARTICLE VI

CONSENT

- Leasehold rather than freehold and that it will acquire such Leasehold interest and not a freehold interest of such lands, and that it may be necessary under the Land Lease to obtain the consent of the Landlord to the Assignment of the leasehold interest. The Purchaser covenants and agrees to supply all information including a financial statement, as the Landlord may reasonably require, and to execute such agreements as the Landlord may reasonably require, including an agreement by which the Purchaser covenants and agrees to observe and perform the covenants contained in such Land Lease.
 - 6.02 The Purchaser acknowledges that the consent of the First Mortgagee may be first required before either the mortgage can be assumed and/or the Purchaser obtains title. The Purchaser covenants and agrees to supply a financial statement and to execute and deliver such agreements as the Mortgagee may reasonably require including an agreement to

assume the mortgage and to observe and perform the covenants contained in such mortgage.

pursuant to Clause 6.01 herein is not available by Closing with respect to any Building, the Closing with respect to such Building shall be postponed for an additional sixty (60) days to enable the Vendor to obtain such consent and should this consent not be obtained by the Closing Date as postponed, the Agreement shall be terminated and neither Party shall have any further rights or obligations.

ARTICLE VII

PURCHASER'S CLOSING DOCUMENTS

- 7.01 The Purchaser covenants and agrees to deliver the following on Closing:
 - (a) Assignment of the Land Lease being acquired by the Purchaser which assignment shall contain the Purchaser's covenant to observe and perform the covenants and obligations under the Land Lease being assigned and to indemnify and save the present registered owner/holder and Vendor harmless with respect to such Land Lease;
 - (b) if required, an agreement to assume the present registered owner's and the Vendor's obligations with respect to those agreements registered on the title to the lands or those agreements affecting the operation of the Building under which the Vendor has been performing ongoing obligations. The Purchaser shall covenant and agree to observe and perform the covenants under such agreements and to indemnify and save the Vendor and/or the present registered owner harmless with respect thereto;
 - (c) such reasonable agreements as may be required by the First Mortgagee with respect to the mortgage being assumed by the Purchaser hereunder;

(d) an agreement to observe and perform the . Vendor's covenants under any of the Leases being assigned to the Purchaser and without limiting the generality of the foregoing, to observe and perform all the obligations of the Landlord with respect to the leases of commercial space and to indemnify the Vendor in respect thereto.

ARTICLE VIII

TITLE

- 8.01 The Purchaser is to be allowed until Closing in which to examine title to the Property at its own expense and if within that time any valid objection to title is made in writing to the Vendor which the Vendor shall be unable to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations with respect to such objections, be null and void and the deposit shall be returned immediately to the Purchaserr and neither party shall have any further rights or obligations hereunder.
- 8.02 The Vendor's title to the Property shall be marketable and free from all liens, charges, encumbrances and interests, except for the Permitted Encumbrances and except as to: (i) any registered restrictions and covenants that run with the Lands provided same are complied with and do not interfere with the usage and occupation of the Property; (ii) municipal requirements, including building and zoning by-laws, provided such registered covenants and municipal requirements have been complied with; (iii) easements; and (iv) agreements with the municipality affecting the Property provided that there is no default thereunder.

All other liens, charges, and encumbrances that are not Permitted Encumbrances or as set out on Schedule "C" shall be discharged by the Vendor on Closing at its own expense. Purchaser shall not call for the production of any title deed, abstract of title or other evidence of title other than such as may be in the Vendor's possession or under its control.

8.03 This Agreement is entered into subject to the express condition that it is to be effective only if the provisions of Section 29 of the Planning Act, R.S.O. 1980, Chapter 379, and amendments, are complied with.

ARTICLE IX

RISK BEFORE CLOSING

9.01 The Property shall be and remain at the Vendor's risk until Closing and the Parties acknowledge that the present registered owner shall hold all fire insurance policies and the proceeds thereof in trust for the parties as their respective interests may appear pending Closing. If the Property is damaged on or prior to Closing, the Purchaser shall complete the purchase of the Property and the present registered ownershall at its own expense immediately repair the damage in a good and workmanlike manner and the parties hereto, as required shall release their interest in the insurance proceeds, if any, payable in respect thereto.

ARTICLE X

LEASE TO VENDOR

Concurrent with Closing and on terms mutually acceptable to the parties, the Purchaser, as Lessor, and the Vendor, as Lessee, shall enter into a net net Head Lease for a term of 10 years providing for a yield to the Lessor (Purchaser) as follows:

Year 1 - NIL Return;

Year 2 - NIL Return;

Year 3 - NIL Return;

Year 4 - 1% calculated on Lessor's (Purchaser') original equity down payment herein;

Year 5 - 2% calculated on Lessor's (Purchaser's) original equity down payment herein;

Year 6 - 3% calculated on Lessor's (Purchaser's) original equity down payment herein;

Year 7 - 4% calculated on Lessor's (Purchaser's) original equity down payment herein;

Year 8 - 5% calculated on Lessor's (Purchaser's) original equity down payment herein;

Year 9 - 6% calculated on Lessor's (Purchaser's)
original equity down payment herein;
Year 10 - 7% calculated on Lessor's (Purchaser's)
original equity down payment herein;

with all such yields to be payable annually in arrears on the anniversary date of the Closing. The Lessee (Vendor) shall be responsible for all mortgage payments registered against the Property throughout the term of the said Head Lease.

ARTICLE XI

ADJUSTMENTS

11.01 There shall be no adjustments on Closing with the Vendor responsible for all normal adjustments to closing, including taxes, utilities, rentals, deposits, prior mortgage interest, service contracts, etc. Upon the expiry or termination of the Head Lease, the Lessee (Vendor) covenants to turn over the Property with all the foregoing adjustable items paid to or credit given to the date thereof, and to be free and clear of any and all work orders whatsoever.

ARTICLE XII

FIRA

12.01 The Vendor covenants and agrees on behalf of the Purchaser to expend all necessary funds and take all proper steps to contest any proceedings taken under the Foreign Investment Review Act and to indemnify and save harmless the Purchaser in respect of any final negative ruling which may result.

ARTICLE XIII

INDEHNITY

13.01 The Vendor covenants and agrees to indemnify and save harmless personally the President of the Purchaser with respect to any adverse ruling(s), finding(s), damages or other liability whatsoever emanating from, levied or received from any governmental body or authority as a result of the President of the Purchaser holding that office and in his capacity as a director thereof.

ARTICLE XIV

GENERAL

- 14.01 The parties agree that there are no covenants, representations, warranties, collateral agreements or conditions affecting this Agreement other than is expressed in writing in this Agreement. The schedules attached to this Agreement shall have the same force and effect as if the information contained therein was contained in the body of this Agreement.
- 14.02 The Vendor's representations, covenants, warranties except those referred to in Paragraphs 11.01, 12.01 and 13.01 hereof, and agreements contained in this Agreement shall not survive but merge on Closing with the Transfer of Title.
- 14.03 Any notice to be given or document to be delivered to the Vendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid

registered mail to it at 2 Robert Speck Parkway, Mississauga, Ontario, Confidential, Attention: Timothy Howard, with a copy to Broadhurst & Ball, Suite 1250, 2 Robert Speck Parkway, Mississauga, Ontario, L42 1H8. Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at at Suite 1702, 11 King Street West, Toronto, Ontario. Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second business day next following the day of mailing if sent by prepaid registered mail.

- 14.04 This Agreement of Purchase and Sale shall be read with all changes of gender and number required by the context and shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 14.05 This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.
- 14.06 This Agreement, if not executed by all parties by five o'clock in the afternoon E.S.T. on the 4th day of November, 1982, shall be null and void and the deposit shall be returned immediately to the Purchaser without deduction.
- 14.07 This transaction shall be completed on the Closing Date from and after which date the Purchaser shall be entitled to receive all rents and profits and shall bear all expenses pertaining to the Property.
- 14.08 This Agreement and the Vendor's obligations are conditional upon the Vendor's completion of its purchase transactions with respect to the Property from Greymac Credit Corporation and in the event of non-completion thereof, this Agreement shall be null and void and the Purchaser entitled only to the return of its deposit.

IN WITNESS WHEREOF the Purchaser has executed this Agreement under its corporate seal, duly attested to by the hands of its proper officers duly authorized in that behalf, this 444 day of November, 1982.

526010 ONTARIO INC.

Per: J-

526011 ONTARIO INC.

Per:

THE UNDERSIGNED hereby accepts the above Offer.

IN WITNESS WHEREOF the Vendor has executed this Agreement under its corporate seal, duly attested to by the hand of its proper officer duly authorized in that behalf this day of November, 1982.

KILDERKIN INVESTMENTS LTD.
IN TRUST

Per:

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00' 00" East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00° 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16^o 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16⁰ 24' 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73° 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.

PROPERTY - THE TOWNE

FIRST MORTGAGE(S)

Sun Life Assurance Company

PRINCIPAL - Approximately \$2,522,000.00

. INTEREST RATE - 6.75%

REGISTRATION DATE - October 4, 1960

SECOND MORTGAGE

The Cadillac Fairview Corporation Limited

PRINCIPAL - \$ 9,500,000.

INTEREST RATE - 1/2% over prime, calculated and
payable monthly - floating rate

MATURITY - November 5, 1988

THIRD MORTGAGE (WRAP)

Seaway Trust Company

PRINCIPAL - \$15,141,315

INTEREST RATE 16 4 2

TERM 2 4 cars

ADVANCE - difference between total of First and Second Mortgage and the Principal



Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Mortgage back to Cadillac Fairview



THIS INDENTURE made in duplicate this 15th day c October, One Thousand, Nine Hundred and Eighty-Two.

IN PURSUANCE OF THE SHORT FORMS OF MORTGAGES ACT

BETWEEN:

526010 ONTARIO INC., and 526011 ONTARIO INC., both corporations incorporated under the laws of the Province of Ontario, each as to an undivided one-half interest,

(hereinafter called the Mortgagor)

OF THE FIRST PART

-and-

THE CADILLAC FAIRVIEW CORPORATION LIMITED, a Corporation continued under the laws of the Province of Ontario,

(hereinafter called the Mortgagee)

OF THE SECOND PART

GREYMAC CREDIT CORPORATION

(hereinafter called the Guarantor)

OF THE THIRD PART

WHEREAS by Indenture of Lease dated the 18th day of August, 1964, and registered in the Land Registry Office for the Land Registry Division of Toronto as Instrument No. 72922 E.M., made between Sun Life Assurance Company of Canada as Lessor, and Aldon Developments Limited as Lessee, the Lessor did demise unto the Lessee the lands and premises therein and hereinafter described to hold for the term therein set forth, and subject to the Lessee's covenants and agreements therein contained;

AND WHEREAS by Indenture of Assignment dated the 31st day of October, 1964, and registered in the said Registry Offic as Instrument No. 72893 E.M., and made between Aldon Developmen Limited as Assignor and Don Mills Developments Limited as Assignee, the Assignor did grant and assign unto the Assignee the lands and premises therein and hereinafter described togeth with the residue of the unexpired term of the said lease and all benefit and advantage to be derived therefore:

AND WHEREAS by Articles of Amalgamation Don Mills Developments Limited was amalgamated with various corporations and continues thereafter as The Cadillac Fairview Corporation Limited, a notarial copy of the said Articles of Amalgamation being filed in the said Registry Office as Instrument No. C.T. 70220;

AND WHEREAS by Indenture of Mortgage dated the 3rd day of October, 1966, and registered in the said Registry Office as Instrument No. 74519 E.M., Don Mills Developments Limited as mortgager, did mortgage unto Sun Life Assurance Company of Canada as mortgagee, the lands and premises therein and hereinafter described by way of assignment of the said lease;

AND WHEREAS the Mortgagor is indebted to the Mortgagee for the sum hereinafter set forth;

NOW THEREFORE IN CONSIDERATION OF NINE MILLION,

FIVE HUNDRED THOUSAND ------(\$9,500,000.00)-----DOLLARS

of lawful money of Canada now paid by the said Mortgagee to

the said Mortgagor (the receipt whereof is hereby acknowledged)

the said Mortgagor doth grant, convey, limit, appoint and

mortgage unto the Mortgagee, its successors and assigns, in

fee simple, the leasehold lands registered in the said

Registry Office, more particularly described in Schedule "A"

annexed hereto and all buildings thereon with their

appurtenances and all other estate and interest of the

Mortgagor therein.

The amount of principal money secured by this Mortgage is NINE MILLION, FIVE HUNDRED THOUSAND

------(\$9,500,000.00)

DOLLA:
and the rate of interest chargeable thereon is as hereinafter set forth.

PROVIDED THIS MORTGAGE TO BE VOID upon payment of NINE MILLION, FIVE HUNDRED THOUS

of lawful money of Canada with interest as hereinafter set forth.

Interest shall be at the rate of interest equivalent to the prime rate of interest quoted as being charged by The Toronto-Dominion Bank for Canadia Dollar loans to its most favoured commercial borrowers in Toronto, plus o half of one per cent calculated and payable monthly. Such interest rate shall be adjusted on the first day of each month based on the aforesaid prime rate in effect on that date and such adjusted interest rate shall b applied throughout said month, and without the necessity of any notice of such change to the mortgagor. In the event that The Toronto-Dominion Ban shall cease to employ or publish such prime rate, the last rate employed published shall be deemed to be the prime rate until such rate is again employed or published.

the said principal sum of \$9,500,000.00 shall become due and payable on the 8th da November,

19 88, and interest at the said rate calculated as aforesaid, as well:
as before maturity and both before and after default on such portion of the principal as remains from time to unpaid on the 8th days of each and every month
in each year until the principal is fully paid; the first payment of interest to be computed from the 8th
day of November, 19 82upon the whole amount of principal hereby secured, to become due and pay on the 8th day of December, next 19 82.

AND Taxes and performance of Statute Labour; And observance and performance of all covenants, pro and conditions herein contained.

AND it is hereby agreed that in case default shall be made in payment of any sum to become due for intere any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in a for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in the interest and compound interest are not paid in One (1) Month maching from the time of default a rest shall be payable on the aggregate amount then due, as well as before maturity, and so on from time to time, and all such interest and compound interest shall be a clupon the said lands.

THE MORTGAGOR agrees that neither the preparation, execution nor registration of this Indenture shall the Mortgagee to advance the money hereby secured, nor the advance of a part of the moneys secured hereby the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall effect forthwith upon the execution of these presents by the said Mortgagor, and the expenses of the examin of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any be of the principal sum not being advanced, the same to be charged hereby upon the said lands, and shall be we demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and in default the Mortgagee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

AND the said Mortgagor covenants with the Mortgagee that in the event of non-payment of the said primoneys at the time or times above provided, he shall not require the Mortgagee to accept payment of said primoneys without first giving three months' previous notice in writing, or paying a bonus equal to three minterest in advance on the said principal moneys.

THE said Mortgagor covenants with the said Mortgagee that the Mortgagor will pay the Mortgage mone interest and observe the above proviso, and will pay as they fall due all taxes, rates and assessments, mun local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the lands and premises;

THAT the Mortgagor has a good title in fee simple to the said lands.

AND that he has the right to convey the said lands to the said Mortgagee;

AND that on default the Mortgagee shall have quiet possession of the said lands free from all encumbrances.

AND that the said Mortgagor will execute such further assurances of the said lands as may be requisite;

AND that the said Mortgagor has done no act to encumber the said lands;

AND the said Mortgagor doth release to the said Mortgagee all his claims upon the said lands subject

PROVIDED that the said Mortgagee on default of payment for at least fifteen days may on at least thir: days' notice enter on and lease the said lands or on default of payment for at least fifteen days may on at thirty-five days' notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act, as amended. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by in viring the state of the said lands if occupied or by placing it on the said lands if occupied or by placing it on the said lands if unoccupied on the said lands if unoccupied of the said lands if unoccupied of the said lands if unoccupied of the said lands in the country or distribution which the lands are allustic out and said to said the said lands are allustic out of the said lands are allustic. by name or designation, and well-like the cling that any percent to be affected thereby may be anknown, unascertained, or under district PROVIDED FURTIFE, a total or ejudice to the statutory powers of the Mortgagee under the foregoing proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continue for two months after any payment of either falls due then the Mortgagee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Mortagee shall be required by Law then notice shall be given to such persons and in such manner and form and within such time as so required by Law. AND it is hereby further agreed that the whole or any part or parts of the said lands may be sold by public auction or private contract, or parts and that the proceeds of any sale has sunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of non-payment or procuring payment of moneys, secured hereby or otherwise, and that the Mortagee may all my or the said lands are the most advantaged and the said and the said and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said and the said and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said appear to him most advantaged and the said appear to him most advantaged and the said and the said appear to him most advantaged and the said appear to him and the said appear to him advantaged and the said appear to him and the said appear to him advantaged and the said appear to him Mortgagee may self by the final self and the chaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any release there were the reason of notice or rub. atton when required hereby shall invalidate any sale or lease hereunder.

PROVIDED that the Mortgagee may distrain for arrears of interest. Mortgagee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

PROVIDED that it is come payable at the option of the Mortgagee. PROVIDED that upon default of payment of instalments of principal promptly and the principal promptly and the principal promptly and payable at the option of the Mortgagee and payable at the principal promptly and the Mortgage may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of said principal shall be as set out in the above proviso for redemption. PROVIDED further that any such waiver shall apply only to the particular default. AND it is further agreed by and between the parties that the Mortgagee may at his discretion at all times release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the saic lands or any person from this Mortgage or from any of the convenants hereby contained, it being especially agreed that every part or lot into which the mortgaged lands are or may hereafter be divided does and shall stand charge: with the whole money hereby secured and no person shall have the right to require the mortgage moneys to be apportioned; and without heigh accountable to the fortgagor for the value hereof, or far any moneys except thosactually received by the Mortgagee.

PROVIDED that no extension of the given by the Marigagee to the Martgager or any one claiming under him or any other dealing by the Martgagee with the owner or owners of the equity of redemption of said lands or o any part thereof, shall near any arractor prejudies the rights of the destructed against the Mortgagor or an other person liable for the payment of the mount hereby secured, and that this Mortgage may be renewed by as agreement in writing at maturity for any torm with or without an increased rate of interest notwithstanding that there may be subsequent excumbrancers. And It shall not be necessary to register any such agreement in order t retain priority for this Mortgage to altered one any instrument registered subsequently to this Mortgage. PRC VIDED that nothing contained in this paragraph shall confer any right of renewal upon the Mortgagor.

PROVIDED further that so sale or the cashing by the Mortgagor with the equity of recomption in the said land or any part theres that it any way that we the liabelty of the Mortgagor or in any way after the rights of the Mortgagor as against the Mortgagor or any other person liable for payment of the moneys hereby secured.

THE Mortgager revenants will the Murigages that he work keep the said lands and buildings, erections and in provements thereon in good road turn and repair aroarding in the nature and description thereof respectively, at that the Mortgages may, wherever he deems necessary, by his agent enter upon and inspect the said mortgaged lan-and make such reports to be communed any, and the reason ble cost of such inspection and repairs with intereand make such 12. Its added to the mortgage debt and be say the forth with and be a charge upon the sall lands prior to all claims therein subsequent to these presents. And that if the Mortgagor shall neglect to keep the said premises in good condition and repair, or commit or permit any act of waste on the said lands (as to which was the said lands) and the said lands (as to which was the said lands). the Mortgages shall be use judget a make default as to any of the soverants, provisees, agreements or condition contained in this Mortgages are in any must age to which this Mortgage is which this Mortgage is which this Mortgage is much the Mortgage is which this Mortgage is much the Mortgage is much the Mortgage in the Mortgage is which this Mortgage is much this description of the Mortgage is much this mortgage in the Mortgage is much this mortgage in the Mortgage is much this mortgage. as in the case of regress the fire waterily the powers of entering upon and leasing or selling hereby given and a other remedies herein contained may be exercised forthwith.

AND it is hereby agreed between 100 parties bereto that the Moregages may use all gremiums of insurance are all taxes, rates, utility and making that we will shall from time to time fall due and be unpaid in respect of time mortgaged premises and that much pour ents together with all costs, charges, legal fees (as between solicitor are client) and exponses which may be insurant in taking, recovering and keeping possession of the said lands, as of negotiating this loan, insurance utile, and registering the Mortgage and other necessary deeds, and gene

ally in any other proceedings taken in connection with or to realize this security (including legal fees and re estate commissions and other costs thewared in leasing or selling the said lands or in exercising the power of a estate commissions and activated by the state of the stat agreed, that all amounts paid by the Morriages as aforesaid shall be added to the debt hereby secured and s's be payable forthwith with interest at the rate aforesaid, and in default this Morriage shall immediately become and payable at the uniform the Morriage and ill suwers in this Morriage conferred shall become exercisal PROVIDED that until default if ayoung the Annuagin shall have quiet possession of the said lands.

AND the Mortgagor will:

- (a) maintain with respect to the Improvements All Risks (including Flood & Quake) Property insurance in an amount not less than ninety (90%) percent of the full Replacement Cost (excluding the cost of foundations and footings, underground utilities and architect's and other fees associated with these items), from time to time thereof, and twenty-four months Gross Rental Value, subject to a stated amount co-insurance clause; notwithstanding the foregoing, the Mortgagor at its option may effect or cause to be effected such insurance under a policy or policies in such amount less a deductible amount, the loss with respect to which would be required to be borne by the Mortgagor, provided that such deductible amount shall not exceed 3% of the amount insured under such policy or policies;
- (b) maintain in respect of the Improvements comprehensive broad form boiler and machinery insurance on a repair and replacement basis and on 24 months Gross Rental value of the Improvements with combined limits of not less than \$10,000,000 for each accident; notwithstanding the foregoing, the Mortgagor at its option may effect such insurance under a policy or policies in such amount less a deductible amount, the loss with respect to which would be required to be borne by the Mortgagor, provided that such deductible amount shall not exceed 3% of the amount insured under such policy or policies;
- (c) maintain comprehensive general liability insurance covering the use or ownership by the Mortgagor of the Improvements with inclusive limits of not less than \$10,000,000 with respect to each occurrence.

The Mortgagor shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining all insurance required to be maintained and effected under the preceding paragraph and shall cause the proceeds of insurance provided for therein and the direct damage indemnity portion of insurance provided for therein in each case to be made payable jointly to the Mortgagor and the Mortgagee as their interests may appear. Every policy of insurance shall be effected in such terms and with such insurer as may be approved by the Mortgagee and in the case of insurance required to be maintained pursuant to Subsection (a) of the preceding paragraph shall have attached thereto an Insurance Bureau of Canada mortgage clause endorsement acceptable to the Mortgagee, or in the case of insurance required to be maintained pursuant to subsection (b) of the preceding paragraph a Canadian Boiler and Machinery Underwriters Association mortgage clause endorsement acceptable to the Mortgagee, which clauses shall provide that such policies may not be cancelled except after 30 days' notice to the Mortgagee. In the event of failure on the part of the Mortgagor to maintain any insurance required by the preceding paragraph, the Mortgagee may, upon written notice to the Mortgagor and their failure to effect such insurance within 7 days after the receipt of such notice, effect such insurance and the Mortgagor covenants to repay to the Mortgagee all of the premiums paid by it. The Mortgagor will provide or cause to be provided to the Mortgagee at least 7 days before the termination of any insurance evidence of payment of all premiums and other sums of money payable for maintaining the insurance referred to in the preceding paragraphs and shall deposit or cause to be deposited with the Mortgagee (whether or not a request has been made) certified copies of all policies signed by the insurer.

In addition to the insurance which the Mortgagor is required to maintain or cause to be maintained pursuant to the preceding paragraph hereof, the Mortgagee shall be entitled to require coverage with respect to the Improvement for such other risks and perils as the Mortgagee (acting reasonably) may from time to time consider advantageous or desirable and against which a prudent owner of a comparable property would normally insure at such time.

THESE PRESENTS have been entered into by the Mortgagee at the request of the Guarantor and upon its agreement to join herein to guarantee payment of all sums secured hereunder and the observance and performance of the Mortgagor's covenants herein contained in the manner set out in the herein paragraph. In consideration of the premises, the Guarantor hereby covenants and agrees with the Mortgagee that the Mortgagor will pay the said principal money and interest and all other sums secured by this mortgage and observe and perform all covenants and agreements on the part of the Mortgagor to be observed and performed as herein contained, and on the Mortgagor's default in so doing, the Guarantor shall pay the said principal and interest and other sums secured by this mortgage and observe and perform the said covenants and agreements and that it, the Guarantor, shall indemnify and save harmless the Mortgagee of and from all losses, costs, damages, charges and expenses occasioned by any act or default of the Mortgagor contrary to the Mortgagor's covenants and agreements herein contained. AND it is further agreed that the Mortgagee may grant time to the Mortgagor for the payment of all or any of the monies secured by the said mortgage or for the performance of the said covenants and agreements, may reduce the amount of principal secured by the herein mortgage, may refrain from enforcing payment and alter the terms and times of payment or the rate or time of payment of interest and may release any part of the lands herein secured or any person liable on any covenant or any other security, collateral or otherwise, all without notice to the Guarantor and without relieving the Guarantor from its liability which shall be a continued liability during the whole of the term of the herein mortgage.

PROVIDED and it is hereby agreed that in construing these presents the words "Mortgagor" and "Mortgager" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Mortgagor" or "Mortgagors", "Mortgagor" or "mortgagere", and "he", "she", "the", "the", "the "or "iss", respectively, as the number of the verb agreeing the present is shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagor or Mortgagors. Mortgagee or Mortgagees, shall be equally secured to the Mortgagor or Mortgagors and assigns, as the case may be. And that all coverants, liabilities and obligations entered into or imposed hereunder upon the Mortgagor or Mortgagors. Mortgagee or Mortgagees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, as the case may be, and that all coverants, liabilities and shall be joint and several.

The Mortgagor, its successors and assigns, covenants with the Mortgagee, its successors and assigns, that the said Mortgagor, its successors and assigns, will well and truly pay or cause to be paid to the Municipality the grount rents stipulated in the hereinbefore recited lease at the time and in the manner provided and observe the other provisions thereof.

And the said Mortgagor will well and truly pay the said ground rents, taxes, charges, premiums of insurance, and payments and perform and observe all the covenants and conditions expressed or implied in or by the hereinbefore recited lease and indemnify and save harmless the said Mortgagee, its successors and assigns, payment of any such leasehold rents, taxes, charges, premiums of insurance, and payments and against all loss, costs, damages, and forfeiture whatsoever occasioned by or by reason of or consequent upon any non-payment, non-performance or non-observance in the premises and shall on demand within ten (10) days after such leasehold rents, taxes, charges, premiums of insurance, and other payments become due, produce the receipt for payment thereof to the Mortgagee, its successors and assigns.

Provided in the case of default in payment to the Mortgagee, its successors and assigns, of any of the principal monies, leasehold rents, taxes and interest hereby secured or any part thereof, or observance or performance of the covenants in the hereinbefore mentioned lease contained, the Mortgagee, its successors and assigns, may enter into and upon and hold and enjoy the said lands and buildings for the then residue of the term of years hereby demised for its own use and benefit without the let, suit, hinderance, interruption and denile of the said Mortgagor, its successors and assigns, or any other person whomsoever.

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And if the Mortgagor, its successors and assigns, does make default in the payment of such leasehold rent and the Mcctgagee do pay the same or any part thereof, the Mortgagor, its successors and assigns, will on demand pay to it the amount sc paid with interest thereon at the rate hereinbefore mentioned and the said leasehold interest and building shall stand charged thereof upon this security.

And the Mortgagor, its successors and assigns, and all other persons claiming any interest in the said leasehold interest and buildings shall and will from time to time and at all times hereafter at the request of the Mortgagee, its successors and assigns, make, due and execute or cause and procure to be made, done and executed all such further acts, deeds, arrangements, and assurances in the law for more effectually demising and assuring or securing the said leasehold interest and buildings to the said Mortgagee, its successors and assigns, according to the true intent and meaning of the presents as by the said Mortgagee, its successors and assigns, or their Counsel, shall be reasonably advised or required.

It is understood and agreed between the Parties hereto that the covenants and conditions herein apply equally to the leasehold lands as well as the freehold lands and shall have the same effect and shall receive the same consideration as they would severally have and receive if they appeared in a mortgage of real property expressed to be made in pursuance of the Short Forms of Mortgages Act with such qualifications thereof as may be necessary for the application thereof to the leasehold interest conveyed and mortgaged hereby.

PROVIDED and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants is contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at it, rate and times herein provided, and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

THE Mortgagor covenants with the Mortgagee that the Mortgagor will reimburse the Mortgagee for legal fees, real estate commissions and other costs incurred by the Mortgagor enversing the powers of sale herein contained. AND the Mortgagor covenants and agrees with the Mortgagoe that forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Mortgagor, (b) the qualification of the said lands as a matrimonial home within the m-Jning of Part III of the Family Law Reform Act, as amended, and (c) the ownership of the equity of redemption in the said lands, the Mortgagor will advise the Mortgagee accordingly and furnish the Mortgagee with full particular thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of Section 40 of the said Act. In furtherance of such intention, the Mortgagor evenants and agrees to furnish the Mortgagee with such evidence in connection with any of (a), (b) and (c) above as the Mortgagee may from time to time request.

PROVIDED that this mortgage is not in default, upon the maturity of the existing prior mortgage of the lands mortgaged herein, the Mortgagee, at the expense of the Mortgagor, shall execute and deliver an agreement to postponthe within mortgage to a replacement first mortgage of an amount equal to the principal balance outstanding under such prior mortgage as at its maturity, provided that firstly, the monthly instalment of principal and interest payable under such replacement first mortgage does not exceed an amount equivalent to seventy per cent (70%) of the cash flow net of expense in the immediately proceeding twelve (12) month period arising from the Lan mortgaged herein prior to any payment on account of principal and interest any mortgage or encumbrance of the within Lands and secondly, any principal balance of such replacement first mortgage which exceeds the principal balance of the prior mortgage outstanding on its maturity date, shall be applit to reduce this mortgage back in this transaction.

PROVIDED that the Mortgagor shall have the privilege of prepaying the whole or any part of the principal sum outstanding, without notice or bonus.

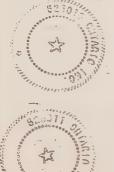
It is understood and agreed between the parties hereto that insofar as the lands herein described are concerned, all the rights, privileges and the covenants hereinbefore granted are subject to the terms and conditions of the hereinbefore recited ground lease and that the Mortgagor hereunder shal be responsible for compliance therein.

The undersigned Mortgagor acknowledges having received a true copy of this Mortgage.

In Wilness Whereof the said parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

In the presence of



526010 ONTARIO INC.
Per:

526011 ONTARIO INC.

Per: Pais

GREYMAC CREDIT CORPORATION

Per:

PLANNING ACT AFFIDAVIT

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO ALL OF LOTS 3, 4, 5, 6, 16, 17, 18 and 19, and PART OF LOTS 2 AND 20, PLAN 413-E, CITY OF TORONTO

AND IN THE MATTER OF A MORTGAGE

THEREOF, FROM 526010 ONTARIO INC. and 526011 ONTARIO INC.

THE CADILLAC FAIRVIEW CORPORATION LIMITED

DATED October 15 1982.

1, William M. Lehun
of the City of Tornic in the Municipality of Metapolitan Tranto
Municipality of Metapolitan Court
MAKE OATH AND SAY AS FOLLOWS:
1. I am the solicitor for the montgoger.

To be made by one of the parties or by his solicitor

named in the above mentioned Instrument, and have knowledge of the matters hereinafter sworn.

2. A consent under section 29 of the Planning Act, as amended, in respect of the said Instrument is not required because

Delete (a) of our applicable

(a) the person conveying or otherwise dealing with land in the said Instrument does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the land that is being conveyed or otherwise dealt with.

State other ressure if any

SWORN before me

at the City of Toronto

Municipality of Metropolitan in the

Toronto

ファイ this

day of

19 82

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00' 00" East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

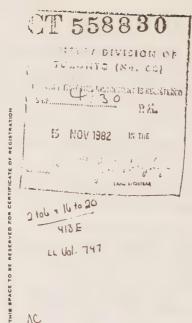
THENCE South 16^O 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16⁰ 24' 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73^o 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.



PROPERTY OF THE REGISTRY OFFICE

DC

REGISTRATION FEE

526010 ONTARIO INC., and 526011 ONTARIO INC.

TO

THE CADILLAC FAIRVIEW CORPORATION LIMITED

Address: 5th Floor, 20 Queen Street, West, TORONTO, ONTARIO M5H 3R4

Mortgage

2,3,0:5,6,16,17,18,19 1413F (The Towne)

DYE & DURHAM CO. LIMITED

KNK/met File: 82-2065

> 4-30 558830

MESSRS. GOODMAN & GOODMAN, BARRISTERS & SOLICITORS, 20, QUEEN STREET, WEST, 30TH FLOOR, BOX 30, TORONTO, ONTARIO. M5H 1V5

Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Mortgage in favour of Seaway Trust



CT 558832 THIS INDENTURE MADE (in duplicate) the 5th day of November, 1982. BETWEEN: 526010 ONTARIO INC. 526011 ONTARIO INC. incorporated under the laws of the Province of Ontario each as to an undivided one half interest (hereinafter called the "Mortgagor") OF THE FIRST PART: - and -SEAWAY TRUST COMPANY incorporated under the Loan and Trust Corporations Act (hereinafter called the "Mortgagee") OF THE SECOND PART. WHEREAS by Indenture of Lease dated August 18, 1964 registered in the Land Registry Office for the Registry Division of Toronto as Instrume No. 72922 E.M. and made between Sun Life Assurance Company of Canada Lessor and Aldon Developments Limited as Lessee, the Lessor did demis and lease unto the Lessee its successors and assigns the land which i described in Schedule "A" attached hereto; AND WHEREAS by Articles of Amalgamation Don Mills Development Limited was amalgamated with various other companies to continue as The Cadil Fairview Corporation Limited, a notarial copy of the Articles filed as No. CT70220; AND WHEREAS the said lease was assigned to Don Mills Developments Limited by Indenture of Assignment registered as Instrument 72893 E.A AND WHEREAS the said lease was further assigned to the Mortgagor by Assignment registered as Instrument No. AND WHEREAS the said Mortgagor at the time of the execution, hereof has agreed to charge its equity of redemption of the lands hereinafts described and has applied to the Mortgagee for a loan upon mortgage thereof. AND WHEREAS the said Mortgagor acknowledges and agrees that the Mortgagee by virtue of the irrevocable power of attorney herein becomes First Mortgagee of the lands and for that purpose this mortgage is written to show a principal amount owing in the amount of FIFTEEN MILLION, ONE HUNDRED AND FORTY-ONE THOUSAND THREE HUNDRED AND FIFTEEN (\$15,141,315.00) ----ALL AND SINGULAR that certain parcel or tract of land and premises

situate, lying and being composed of the said lands as more particul; described on Schedule "A" attached hereto.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of FIFTEEN MILLION, ONE HUNDRED AND FORTY-ONE THOUSAND, THREE HUNDRED AND FIFTEEN (\$15,141,315.00) DOLLARS of lawful money of Cananow paid by the said Mortgagee to the said Mortgagor, the receipt whereof is hereby acknowledged, the said Mortgagor doth grant and mortgage unto the said Mortgagee, its successors and assigns by way of a sublease:

- (a) That part of the lands being in the City of Toronto, in the Municipality of Metropolitan Toronto, more particularly described in Schedule "A" hereto which together with the buildings erected thereon and the appurtenances and all other premises comprised therein have been demised by the Lease (excluding the last day of the term granted by the Lease);
- (b) The Lease and leasehold estate created by the Lease;
- (c) All of the Mortgagor's rights and benefits of any kind whatsoever, pursuant to the Lease, and the unexpired residu of the said term granted by the said Lease and all other estate, term, right of renewal and other interest of the sa Mortgagor therein, but excepting always the last day of the term of the said Lease or any renewal thereof or any agreement therefor;

to have and to hold unto the said Mortgagee its successors and assign all of which said properties shall collectively be hereinafter referr to "leasehold interest".

The amount of principal monies secured by this Mortgage is \$15,141,031.00 and interest shall be chargeable thereon with respect to that part of the principal monies in the amount of \$2,512,220.70 secured by the first prior mortgage(s) herein referred to, upon the terms, conditions and date therein set forth; and interest shall be chargeable thereon with respect to that part of the principal monies in the amount of \$9,500,000.00 secured by the second prior mortgage herein referred to, upon the terms, conditions and date therein set forth, and as to the balance of the principal hereby secured hereby in the amount of \$3,128,810.24 interest shall be chargeable thereon at the rate of 16 1/4% per annum calculated annually and payable monthly, as well after as before maturity, and both before and after default, on such portion of the aforesaid principal amount of \$3,128,810.24 hereby secured as remains from time to time unpaid, until the principal is fully paid, as follows:

Interest on the aforesaid principal amount of \$3,128,810.24 at the aforesaid rate on the amounts advanced from time to time computed from the respective dates of such advances, shall become due and be paid on the 10th day of December, 1982 and monthly thereafter on the 10th day of each and every month, in each and every year, from and including the 10th day of January, 1983 to and including the 10th day of December, 1984 and the principal money and interest thereon shall become due and payable on the 10th day of December, 1984.

In addition to the payments which the Mortgagor herein shall make to the Mortgagee pursuant to the terms of the preceding paragraph, the said Mortgagor shall pay to the Mortgagee herein all payments required to be made pursuant to the first prior the terms, conditions and dates set forth in the said prior mortgages. There shall be no obligation on the mortgagee to service the prior mortgages unless it receives full payment standing the foregoing, in the case of default. Nothwithstanding the foregoing, in the case of default by the Mortgagor during the period of default in whatever order it may in its discretion elect as between taxes, interest, any portion of the principal secured hereunder, repairs, insurance premiums or the Mortgagor.

(2) ADVANCE OF FUNDS

THE MORTGAGOR agrees that neither the preparation, execution nor registration of this Indenture shall bind the Mortgagee to advance the money hereby secured, nor the advance of a part of the monies secured hereby bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution of these presents by the said Mortgagor, and the expenses of the examination of the title and of this mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this mortgage, and in default the said Mortgagee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

(3) MORTGAGOR'S COVENANTS

THE MORTGAGOR covenants with the Mortgagee that the Mortgagor will pay the mortgage money and interest and observe the above proviso, and will pay as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the said leasehold interest;

THAT the Mortgagor has a good title pursuant to the Lease to the leasehold interest;

AND that he has the right to convey the said leasehold interest to the Mortgagee;

AND that on default the Mortgagee shall have quiet possession of the said leasehold interest free from all encumbrances.

AND that the Mortgagor will execute such further assurances of the said lands and leasehold interest as may be requisite;

AND that the Mortgagor has done no act to encumber the said lands more particularly described in Schedule "A" nor the leasehold interest.;

AND that the Mortgagor will insure the buildings comprising the leasehold interest to the amount of not less than their full insurable value in dollars of lawful money of Canada.

(4) INSURANCE

AND that the said Mortgagor will insure the buildings on the said leasehold interest to the amount of not less that the greater of the replacement value of the buildings from time to time, or the principal money hereby secured, in dollars of lawful money of Canada, with no co-insurance requirements and with the Mortgagee's standard mortgage clause forming part of such insurance policy, and without limiting the generality of the foregoing the Mortgagor shall carry such liability, rental, boiler, fire and other insurance coverage as required by the Mortgagee to be placed with such insurance companies and in such form as may be acceptable to the Mortgagee. Written evidence of continuation of such insurance, from the insurer under such policy or policies to the effect that coverage has been extended for a minimum period of at least one year and that all premiums with respect to such extended term of suc coverage have been paid for in full shall be produced to th Mortgagee at least thirty (30) days before expiration of any term o any such respective policy, otherwise the Mortgagee may provid therefor and charge the premium paid therefor and interest therec to the Mortgagor and the same shall also be a charge upon the sai leasehold interest. It is further agreed that the Mortgagee ma require any insurance on the leasehold interest to be cancelled ar new insurance effected in an office to be named by it, and also make of its own accord effect or maintain any insurance herein provide for, and any amount paid by it therefor shall be forthwith payab; to it, together with interest, by the Mortgagor, (together with a costs of the Mortgagee as hereinafter set out), at the radforesaid and shall be a charge upon the leasehold interest a secured by this mortgage (without prejudice to the statutory clause).

In the event that the evidence of continuation of such insurance herein required has not been delivered to the Mortgagee within t required time, the Mortgagee shall be entitled to a servicing fee \$25.00 for each written enquiry which the Mortgagee shall make the insurer pertaining to such renewal (or resulting from t Mortgagor's non-performance of the within covenant). In the eventhat the Mortgagee pursuant to the within provision arranging insurance coverage with respect to the leasehold interest, thortgagee, in addition to the aforenoted servicing fee, shall entitled to a further servicing fee of \$100.00 for arranging necessary insurance coverage.

Notwithstanding any other provision to the contrary, statutory otherwise, in the event of any monies becoming payable pursuant any insurance policy with respect to the leasehold interest secular the Mortgagee may at its option require the said mor

to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the infebtedness secured hereunder whether or not the same has become due.

That the Mortgagor, upon demand, will transfer all policies of insurance effected upon the buildings, eractions or fixtures (erected or to be erected) on the said lands, (with the mortgage clause in a form approved by the Mortgagee attached) and the Mortgagee shall have a lien for its fortgage debt on all insurance on the said buildings, erections or fixtures and may elect to have of monies secured hereby whether due or not but shall not be bound to accept the said monies in payment of any principal not yet due.

Provided also that the covenant for insurance hereinbefore contained shall apply to all buildings whether now or hereafter erected on the said lands.

(5) RELEASE

AND the said Mortgagor doth release to the said Mortgagee all its claims upon the said lands subject to the said proviso.

(6) DEFAULT

PROVIDED that the Mortgagee may on the default of the Mortgagor and any of the covenantors enter on, take possession of, and sublease or sell or assign the leasehold interest and enforce any right or remedy it has with respect to the leasehold interest, and on default of payment for a least fifteen (15) days, may on at least thirty-five (35) days' notice sell the said leasehold interest. Such notice shall be given to such persons and in such manner and form provided in The Mortgages Act, as amended. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Mortgagee, by mailing it in a registered letter addressed to the Mortgagor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. PROVIDED FURTHER, without prejudice to the statutory powers of the Mortgagee under the foregoing proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continue for two months after any payment of either falls due then the Mortgagee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Mortgagee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND it is hereby further agreed that the whole or any part or parts of the said leasehold interest may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said leasehold interest or by reason of non-payment or procuring payment of moneys, secured hereby or otherwise, and that the Mortgagee may sell any of the said leasehold interest on such terms as to credit and otherwise as shall appear to

him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or wary any contract for the sale of the whole or any part of the said leasehold lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Mortgagee shall be bound to pay the Mortgagor only such moneys as have been actually received from purchasers after the satisfaction of the claims of the Mortgagee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder. PROVIDED that the Mortgagee may distrain for arrears of interest. PROVIDED that the Mortgagee may distrain for arrears of interest. PROVIDED that the Mortgagee may distrain for arrears of principal in the same manner as if the same were arrears of interest. PROVIDED that in default of the payment of the interest hereby secured, the principal hereby secured shall become payable at the option of the Mortgagee. PROVIDED that upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest shall immediately become due and payable at the option of the Mortgagee. PROVIDED that the Mortgagee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of said principal shall be as set out in the above proviso for redemption. PROVIDED further that any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. AND it is further agreed by and between the parties that the Mortgagee may at his discretion at all times release any part or parts of the leasehold interest or any other security or any surety for the money hereby secured either without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the leasehold interest or any person from this Mortgage or from any of the covenants hereby contained, it being especially agreed that every part or lot into which the said leasehold interest are or may hereafter be divided does and shall stand charged with the whole money hereby secured and no person shall have the right to require the mortgage moneys to be apportioned; and without being accountable to the Mortgagor for the value thereof, or for any moneys except those actually received by the Mortgagee. PROVIDED further that no sale or other dealing by the Mortagor with the equity of redemption in the leasehold interest or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the moneys hereby secured. said Mortgagor covenants with the said Mortgagee that he will keep the leasehold interest and the erections and improvements thereon in good condition and repair according to the nature and description thereof respectively, and that the Mortgagee may, whenever he deems necessary, by his surveyor or agent enter upon and inspect the leasehold interest and the reasonable cost of such inspection shall be added to the Mortgage debt, and that if the Mortgagor neglects to keep the said premises in good condition and repair, or commit or permit any act of waste on the leasehold interest (as to which the Mortgagee shall be sole judge) or make default as to any of the covenants or provisos herein contained, the principal hereby secured shall at the option of the Mortgagee forthwith become due and shall at the option of the introgram of same with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised and the Mortgagee may make such repairs as he deems necessary, and the cost thereof with interest thereon shall be a charge upon the leasehold interest prior to all claims thereon subsequent to these presents.

(7) COMPLIANCE WITH BY-LAWS AND REGULATIONS

THE MORTGAGOR covenants and agrees to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, authority or agency concerning the mortgaged premises and further be required at any time hereafter by any such present or future regulations.

(8) TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the leasehold interest hereby mortgaged, the Mortgagor covenants and agrees with the Mortgagee that:

- (a) The Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Mortgagee may at its sole option estimate the amount of the taxes chargeable against the leasehold interest and payable in each year and the Mortgagor shall forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments on the taxes so long as the Mortgagor is not in default under any covenant or agreement contained in this Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly. Provided however, that if the Mortgagor shall pay any sum or sums to the Mortgagee to apply on account of taxes, and if before the same shall have been so applied there shall be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose.
- (c) In the event that the taxes actually charged for in one (1) calendar year, together with any interest and penalties thereon exceed the estimated amount, the Mortgagor shall pay to the Mortgagee on demand the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Mortgagee for the said taxes. Any excess amount advanced by the Mortgagee shall be secured as an additional principal sum under this Mortgage and shall bear the same rate of interest as aforesaid until repaid by the Mortgagor.
- (d) The Mortgagor shall transmit to the Mortgagee forthwith after receipt of same the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands.

- (e) In no event shall the Mortgagee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Mortgagee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Mortgagee's option the Mortgagee may repay such amount to the Mortgagor without any interest.
- (f) The Mortgagor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Mortgagee.
- (g) Evidence of Payment of Taxes The Mortgagor hereby agrees and covenants with the Mortgagee to deliver to the Mortgagee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the lands and premises secured hereunder, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Mortgagor to comply with this covenant as aforenoted the Mortgagee shall be entitled to charge a servicing fee of \$50.00 for each written enquiry directed to such taxing authority, or the relevant taxation office for the purpose of ascertaining the status of the tax account pertaining to the lands and premises secured hereunder, together with any costs payable to the said taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Mortgagee's administrative costs and shall not be deemed a penalty.

(9) SALE OR CHANGE OF CONTROL

If the leasehold interest is sold or assigned by the Mortgagor, or if the freehold interest in the said lands is sold by the owner, or if there is a change in the control of either the Mortgagor or the freehold owner or a change in the beneficial ownership of the said lands or of the leasehold interest then in each such case all sure secured hereunder shall at the Mortgagee's option forthwith become due and payable.

(10) POSTDATED CHEQUES

The Mortgagor hereby covenants and agrees to deliver to the Mortgagee upon the first advance of monies hereunder and thereaftee on each anniversary date thereof in each year for the duration of the term of the Mortgage herein, postdated cheques for the principal and interest and postdated cheques for estimated taxes as per advice of the Mortgagee and on the terms as hereinbefore set out with respect to collection of such taxes said cheques to cover the twelve month period commencing on each such anniversary date. In the even of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, this Mortgage shall be deemed in default and the Mortgagee shall be entitled to pursue any and a of its remedies herein and/or at law as it may deem necessary at inpution. In addition, the Mortgagee upon the Mortgagor's failure deliver such postdated cheques as required hereunder shall be entitled to a servicing fee of \$50.00 for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques.

The Mortgagor hereby agrees that any step taken by the Mortgagee hereunder by way of a request for further postdated cheques shall be without prejudice to the Mortgagee's rights hereunder to declare the Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

(11) PRE-AUTHORIZED CHEQUING PLAN

THE MORTGAGOR further covenants and agrees with the Mortgagee ... deliver to the Mortgagee as and when required, in such form as the Mortgagee may reasonably require, pre-authorized cheque forms dury executed by the Mortgagor with a blank cheque attached thereto, to facilitate the handling of monthly payment instalments provided for under this mortgage.

(12) INSPECTION

The Mortgagee shall have access to and the right to inspect the leasehold interest at all reasonable times.

(13) MORTGAGE STATEMENTS

The parties hereto agree that the Mortgagor shall be entitled to receive upon written request a statement of account with respect to the within Mortgage as of any payment date under this Mortgage once in each calendar year of the term of this Mortgage. In the evert that the Mortgagor or any other party requires a further statement with respect to the account pertaining to this Mortgage, the Mortgagee shall be entitled to a servicing fee of \$25.00 per such additional statement given out in any one year of the term of this mortgage.

(14) DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the Bank or Trust Company on which they are drawn, the Mortgagor shall pay to the Mortgagee for each such returned cheque a servicing fee of \$50.00 as a liquidated amount to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the Mortgagor's Bankers is not forthwith replaced by the Mortgagor, the Mortgagee shall be entitled to a further servicing fee equal to \$25.00 for each written request which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

(15) ADDITIONAL SECURITIES

In the event that the Mortgagee in addition to the premises secured hereunder holds further additional securities on account of the indebtedness secured herein, it is agreed that no single or partial exercise of any of the Mortgagee's powers hereunder or under any of such securities, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such securities. The Mortgagee shall at all times have the right to proceed against all, any, or any portion of such security or securities in such order and in such manner as it shall in its sole discretion deem fit; without waiving any rights which the Mortgagee may have with respect to any and all of such securities, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Mortgagor under the remaining securities, provided however, that upon payment of the full indebtedness secure. The hereunder the rights of the Mortgagee with respect to any and a such securities shall be at an end.

(16) INDEPENDENT LEGAL ADVICE

The Parties hereto acknowledge that they have full knowledge of the purpose and essence of this mortgage transaction, and that they have been appropriately and independently legally advised in that regard. The Parties agree to provide to the Mortgagee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

(17) POWER OF ATTORNEY

The Mortgagor and the Spouse hereby appoint the President of the Mortgagee or any person designated by such president for this purpose, as their lawful attorney to execute any and all documentation which may from time to time be necessary for the effective enforcement of any of the Mortgagee's rights and remedies hereunder, or at law, including without limiting the generality of the foregoing sale of the property herein secured, and the signature of such attorney shall be valid and binding in the same manner as if the Mortgagor and/or the spouse had executed any such document in his/her or their own handwriting.

(18) QUIET POSSESSION

PROVIDED that until default of payment the Mortgagor shall have quiet possession of the said lands.

(19) TAKING OF JUDGEMENTS NOT A MERGER

PROVIDED and it is hereby agreed, that the taking of a judgement or judgements on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided; and further that the said judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgement shall have been fully paid and satisfied.

(20) DEFAULT ON PRIOR ENCUMBRANCE

PROVIDED and it is hereby further agreed by and between the Mortgager and the Mortgagee that should default be made by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage or other encumbrance which has priority to this mortgage, then and in that event the monies hereby secured shall forthwith become due and payable, at the option of the Mortgagee, and all the powers in and by this mortgage conferred shall become exercisable, at the optic of the Mortgagee, and the powers of sale herein contained may be exercised as herein provided.

(21) MECHANIC'S LIENS

PROVIDED also that upon the registration of any mechanic's lien against the said lands or any part of the leasehold interest, or in the event of any structures being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the principal and interest hereby secured shall, at the option of the Mortgagee, forthwith become due and payable.

(22) EXPROPRIATION

PROVIDED that if the leasehold interest or any part thereof shall to expropriated by any Government, authority, body or corporation clothed with the powers of expropriation, the amount of to principal hereby secured remaining unpaid shall

forthwith become due and payable together with interest thereon at the said rate to the date of payment together with a bonus equal to the sum of (a) three months' interest at the said rate calculated on the amount of the said principal remaining unpaid, AND (b) one months' interest at the said rate calculated on the said amount for each full year of the term of this Mortgage or any part of such year remaining from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable.

(23) MORTGAGEE NOT TO BE DEEMED MORTGAGEE IN POSSESSION

PROVIDED and it is agreed between the Mortgagor and the Mortgagee that the Mortgagee in exercising any of the rights given to the Mortgagee under this Mortgage shall be deemed not to be a Mortgagee in possession.

(24) SHORT FORMS OF MORTGAGES ACT

THE MORTGAGOR and mortgagee covenant and agree each with the other that those provisions of this mortgage that have been added to the Short Form clauses shall not derogate from the Mortgagee's rights under the long clauses in "The Short Forms of Mortgages Act" but shall be in addition thereto or in substitution for part or parts as the Mortgagee may elect and all shall have the force of covenants and that any variation from the exact wording of the Short Form clauses shall not affect the rights of the Mortgagee under the Long Form clauses.

(25) DISCHARGE

THE MORTGAGEE shall have a reasonable period of time after payment of the mortgage monies in full within which to prepare and execute a discharge of the mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

(26) DEFINITION OF "COST"

In this mortgage the word "cost" shall extend to and include legal costs incurred by the Mortgagee as between solicitor and his own client.

(27) PAYMENT

ALL payments of principal, interest and other monies payable hereunder to the Mortgagee shall be payable at par in lawful money of Canada at such place in the City of Toronto or other place in Canada as the Mortgagee or other holder of the mortgage shall designate in writing from time to time.

IN THE EVENT THAT any of the monies secured by this mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor shall assume and be responsible for all risk of loss or delay.

(28) BONUS

PROVIDED also that on default of payment of any of the monies hereby secured or payable or on any proceedings being taken by the Mortgagee under this Mortgage, it shall be entitled to require payment, in addition to all other monies hereby secured

or payable hereunder, of a bonus equal to three months' interest in advance at the rate aforesaid upon the principal money hereby secured, and the Mortgagor shall not be entitled to require a discharge of this Mortgage without such payment.

(29) HEADINGS

THE headings with respect to the various paragraphs of this Mortgage are intended to be for identification of the various provisions of this Mortgage only and the wording of such headings is not intended to have any legal effect.

(30) SERVICING FEES

ALL servicing fees as herein provided are hereby agreed by the parties to be fair and equitable under the circumstances and are intended to cover the Mortgagee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Mortgagee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or in law.

(31) INVALIDITY

IF ANY of the covenants or conditions in this mortgage contained shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

(32) GENDER AND NUMBER

PROVIDED and it is hereby agreed, that in construing these presents the words "Mortgagor" and "Mortgagee" and the personal pronoun "he" or "his" relating thereto and used therewith, shall be read and construed as "Mortgagor or Mortgagors", "Mortgagee or Mortgagees", and "his", or "her or "their", respectively, as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights advantages, privileges, immunities, powers and things hereby secured to the Mortgagor or Mortgagors, Mortgagee or Mortgagees shall be equally secured to and exercisable by his, her or their heirs, executors, administrators and assigns, or successors and assigns as the case may be. And that all covenants, liabilities and obligations entered into or imposed thereunder upon the Mortgagor or Mortgagors, Mortgagee and Mortgagees shall be equally binding upon his, her or their heirs, executors, administrators and assigns, or successors and assigns as the case may be, and that all such covenants and aliabilities and obligations shall be joint and several.

(33) REGISTRATION IN COUNTERPARTS

This Mortgage may be executed and/or registered in several counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

(33A) NO JOINT COVENANTS

Notwithstanding anything else herein contained, each of the respective Mortgagors shall only be liable for or responsible to pay its proportionate share of any sums due hereunder, which proportionate share shall be equal to its undivided proportionate interest in the Leasehold Interest as set out herein.

(34) FINANCIAL STATEMENTS

The Mortgagor covenants that it shall within ninety (90) days of the end of each fiscal year of the operation of the leasehold interest by the Mortgagor, furnish to the Mortgagee an audited annual operating statement prepared at the expense of the Mortgagor, which Statement notwithstanding the generality of foregoing, shall set forth the gross rents and other revenue derived by the Mortgagor from the lessehold interest, the costs and expenses of the operation and maintenance of the leasehold interest and premises and such information or explanations in respect of the foregoing as may be required by the Mortgagee and such statements shall be required to be prepared by a duly qualified Chartered Accountant and/or a Certified Public Accountant suitable to the Mortgagee and the correctness of such statements shall be duly supported by the Affidavit of a Director or Officer of the Mortgagor.

(35) APPOINTMENT OF A RECEIVER

Nothwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents, the Mortgagee may at such time and from time to time and with or without entering into possession of the leasehold interest appoint in writing a Receiver or Trustee of the leasehold interest or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver or Trustee and appoint another in his place and stead, and in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor. The Mortgagor hereby agrees and consents to the appointment of such Receiver or Trustee of the Mortgagee's choice and without limitation whether pursuant to this Mortgage, The Mortgages' Act, The Mechanics' Lien Act or pursuant to The Judicature Act (as the Mortgagee may at its sole option require). Without limitation the purpose of such appointment shall be the orderly management, administration and/or sale of the leasehold interest or any part thereof and the Mortgagor hereby consents to a Court Order for the appointment of such Receiver or Trustee. If the Mortgagee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Mortgagee at his sole discretion may require, including without limitation the power to manage, mortgage, pledge, lease and/or sell the leasehold interest and/or complete or partially complete any construction thereon and to receive advances of mortgage and other monies pursuant to any mortgages, pledges and/or loans entered into by the Receiver or Trustee or the Mortgagor, and if required by the Mortgagee in priority to any existing encumbrances affecting the said lands, including without limitation, mortgages and mechanics' lien claims.

Upon the appointment of any such Receiver or Trustee from time to time the following provisions shall apply:

- (i) A Statutory Declaration of an Officer of the Mortgagee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all rents falling due in respect to the leasehold interest, or any

part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (iii) The Mortgagee may from time to time fix remuneration of every such Trustee or Receiver who shall be entitled to deduct same out of the leasehold interest or the proceeds thereof;
- (iv) Each such Receiver shall, so far as concerns responsibility and liability for his acts and omissions, be deemed to be the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee;
 - (v) The appointment of every such Receiver or Trustee by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the Receiver or Trustee in any respect and such appointment or anything which may be done by any such Receiver or Trustee or the removal of any such Receiver or Trustee or the termination of any such receivership or trusteeship shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the leasehold interest or any part thereof;
- (vi) The Receiver or Trustee shall have the power to rent any portion of the leasehold interest for such term and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver or Trustee shall be acting as the attorney or agent of the Mortgagor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Mortgagor and the Mortgagor undertakes to ratify and confirm whatever acts such Receiver may do in the leasehold interest.
- (vii) Every such Receiver or Trustee shall have full power to complete any unfinished construction upon the leasehold interest;
- (viii) Such Receiver or Trustee shall have full power to manage, operate, amend, repair, alter or extend the leasehold interest or any part thereof in the name of the Mortgagor for the purposes of securing the payment of rental from the leasehold interest or any part thereof;
 - (ix) Such Receiver or Trustee shall not be liable to the Mortgagor to account for monies or damages other than cash received by him or it in respect to the leasehold interest or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (a) Its remuneration;

- (b) All payments made or incurred by him in connection with management, operation, amendment, repair, alteration or extension of the leasehold interest or any part thereof;
- (c) Any payment of interest, principal and other money which may from time to time be or become charged upon the leasehold interest in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the leasehold interest or any part thereof.

The Mortgagor hereby irrevocably appoints the Mortgagee as his Attorney to execute such Consent or Consents and all such documents as may be required in the sole discretion of the Mortgagee and/or its Solicitors so as to give effect to the foregoing provisions and the signature of such Attorney shall be valid and binding on the Mortgagor and all parties dealing with the Mortgagor, the Mortgagee and/or the Receiver or Trustee and/or with respect to the leasehold interest in the same manner as if such documentation was duly executed by the Mortgagor himself.

(36) ASSIGNMENT OF RENTALS

To further secure the indebtedness secured hereunder, the Mortgagor hereby assigns and transfers unto the Mortgagee all rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal or any letting of, or of any agreement for the use or occupancy of the leasehold interest or any part thereof, which may have been heretofore or may be hereafter made or agreed to, or which may be granted, it being the intention of the parties to establish an absolute transfer and assignment of all such rents, issues and profits under such leases and agreements, and all the avails thereunder unto the Mortgagee.

The Mortgagor further covenants and agrees to execute and deliver at the request of the Mortgagee, all such further assurances and assignments with respect to such tenancies as the Mortgagee shall from time to time require, and shall do all other acts with respect to such tenancies as requested by the Mortgagee.

Any deposits on account of any offer to lease or agreement to lease or prepaid rent received under such offers and/or agreement to lease or leases, shall be paid to the Mortgagee, to be held by the Mortgagee until such amount becomes due and payable as current rent, at which time such amount shall be released to the Mortgagor, provided in no event shall the Mortgagee be liable for any interest on any amount so paid to it as required hereunder.

In the event that the Mortgagee collects any payments of rent due to the Mortgagor's default, the Mortgagee shall be entitled to receive from such rent a Management Fee of 5% of the gross receipts from such rent, it being understood for greater certainty that the Mortgagor and Mortgagee have agreed that in the circumstances a management fee equal to 5% of gross receipts received by the Mortgagee in the collection of such rents, is a just and equitable fee having regard to the circumstances.

The Mortgagor covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the leasehold interest in advance and that the payment of none of the rents to accrue for any portion of the leasehold interest have been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor.

Provided further, that the Mortgagor will not perform any act or do anything or omit to do anything which will cause the default of any lease in the buildings erected on the leasehold interest unless consented to by the Mortgagee.

And the Mortgagor agrees that all leases, offers to lease and agreements to lease shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the lands and premises secured hereunder, and provided further that the Mortgagor shall obtain the consent of the Mortgagee prior to the execution of any lease, offer or agreement to lease, or any tenancy agreement.

(37) ADDITIONAL COVENANTS

The Mortgagor covenants and agrees that upon receipt of a written demand therefor from the Mortgagee, it shall promptly pay to the Mortgagee as the same fall due all rents, taxes and other charges payable by the Mortgagor or demanded by the Landlord pursuant to the provisions of the Lease, which the Mortgagee shall pay to the Landlord or to the competent tax authority, as the case may be, in default whereof the Mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

The Mortgagor covenants with the Mortgagee that the Lease is, at the time of the sealing and delivery of these presents, a good, valid and subsisting lease in law and not surrendered, forfeited void or voidable, and that the rents and covenants therein reserved and contained have been duly paid and performed by the Mortgagor up to the date hereof, and that the Mortgagor has the right, full power and lawful and absolute authority to demise and sublet the said lands and buildings and to grant a new sublease in manner aforesaid and according to the true intent and meaning of these presents, subject only to the consent of the Landlord.

The Mortgagor covenants and agrees that he will at all times fully perform and comply with all agreements, covenants, terms and conditions imposed upon or assumed by him as tenant under the Lease, and/or imposed upon or assumed by or agreed to by him pursuant to any prior encumbrance and that if the Mortgagor shall fail to do so the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any of the Mortgagor's covenants or obligations under the Lease and/or imposed upon or assumed by or agreed to by him pursuant to any prior encumbrance. Upon receipt by the Mortgagee from the owner and or any prior encumbrancer of any written notice of default by the Mortgagor, the Mortgagee may, upon notice to the Mortgagor, rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof be questioned or denied by the Mortgagor or by any party on behalf of the Mortgagee. The Mortgagor hereby expressly grants to the Mortgagee and agrees that the Mortgagee shall have the absolute and immediate right to enter in and upon the leasehold interest or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems

necessary or desirable, in order to prevent or to cure any such default by the Mortgagor. The Mortgagee may pay and expend such sums of money as the Mortgagee in its sole discretion deems necessary for any such purpose, and the Mortgagor hereby agrees to pay to the Mortgagee, immediately upon notification by the Mortgagee and without demand, all such sums so paid and expended by the Mortgagee, together with interest thereon at the rate aforesaid from the date of each such payment. All sums so paid and expended by the Mortgagee, and the interest thereon, shall stand charged upon the leasehold interest with interest at the rate aforesaid, shall be added to the principal moneys hereby secured in addition to all other moneys secured thereon, and shall be secured by the lien of this mortgage.

And the Mortgagor covenants with the Mortgagee that if this mortgage is or shall be outstanding at the expiration of the term of the Lease and the Mortgagor shall refuse or neglect to exercise his right, if any, to renew the Lease or any renewals thereof to be hereafter granted, and to pay the fees, costs, charges and expenses incidental to and payable upon such renewals, then, and as often as it shall happen, the Mortgagee may, if it thinks proper, effect such renewals in its own name or otherwise, and in that case every such new lease less one day of the term thereof and the lands and buildings thereby demised shall remain and be a security to the Mortgagee as well for the payment of all money paid to it for such renewal and its costs, charges and expenses, as for any other sums that may be due by virtue of this indenture.

And that, for the consideration aforesaid, the Mortgagor will henceforth stand possessed of the leasehold interest for the residue of the term granted by the Lease in trust for the Mortgagee, and will assign and dispose thereof as the Mortgagee may direct, but subject to the same right of redemption as is hereby given to the Mortgagor with respect to the derivative term hereby granted; the Mortgagor hereby irrevocably appoints the Mortgagoe as the Mortgagor's substitute to be the Mortgagor's attorney during the continuance of this security and for and on behalf of the Mortgagor to assign the Lease and convey the leasehold interest and the said reversion as the Mortgagee shall, in the event of default hereunder, direct, and in particular, upon any sale made by the Mortgagee under the statutory power or powers of sale herein contained, to assign the Lease and convey the leasehold premises and the said reversion to the Purchaser; and it is hereby declared that in the event of default hereunder the Mortgagee or other person for the time being entitled to the money hereby secured may at any time, by deed, remove the Mortgagor or any other person from being a trustee of the Lease under the declaration of trust hereinbefore declared and on the removal of the Mortgagor, or any future trustee of the Lease may, by deed, appoint a new trustee or trustees in the Mortgagor's place.

The Mortgagor further covenants and agrees:

- (a) That he will not surrender the Lease or the rights of renewal, nor terminate or cancel the Lease, and that he will not without the express written consent of the Mortgagee modify, change, supplement, alter or amend the Lease either orally or in writing;
- (b) That no release or forbearance of any of the Mortgagor's obligations under the Lease or under any prior encumbrance shall release the Mortgagor from any of his obligations under this mortgage, including the obligations with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease and any

The Mortgagor further covenants and agrees to execute and deliver at the request of the Mortgagee, all such further assurances and assignments with respect to such tenancies as the Mortgagee shall from time to time require, and shall do all other acts with respect to such tenancies as requested by the Mortgagee.

Any deposits on account of any offer to lease or agreement to lease or prepaid rent received under such offers and/or agreement to lease or leases, shall be paid to the Mortgagee, to be held by the Mortgagee until such amount becomes due and payable as current rent, at which time such amount shall be released to the Mortgagor, provided in no event shall the Mortgagee be liable for any interest on any amount so paid to it as required hereunder.

In the event that the Mortgagee collects any payments of rent due to the Mortgagor's default, the Mortgagee shall be entitled to receive from such rent a Management Fee of 5% of the gross receipts from such rent, it being understood for greater certainty that the Mortgagor and Mortgagee have agreed that in the circumstances a management fee equal to 5% of gross receipts received by the Mortgagee in the collection of such rents, is a just and equitable fee having regard to the circumstances.

The Mortgagor covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the premises described herein, in advance and that the payment of none of the rents to accrue for any portion of the said lands and premises have been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor.

Provided further, that the Mortgagor will not perform any act or do anything or omit to do anything which will cause the default of any lease in the buildings erected on the mortgaged lands, unless consented to by the Mortgagee.

And the Mortgagor agrees that all leases, offers to lease and agreements to lease shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the lands and premises secured hereunder, and provided further that the Mortgagor shall obtain the consent of the Mortgagee prior to the execution of any lease, offer or agreement to lease, or any tenancy agreement.

(39) WRAP MORTGAGE

THIS MORTGAGE is subject and subordinate to a certain mortgage in favour of Sun Life Assurance Company of Canada (as Mortgagee(s)) which mortgage was registered in the Land Registry Office for the Registry Division of Toronto, on October 4, 1966, as Instrument No. T4519 E.M. (herein referred to as a "first prior mortgage") which mortgage constitutes a first mortgage upon the premises described herein, in the aggregate principal amount of approximately \$2,512,220.00 with interest at 6.75%.

'THIS MORTGAGE is subject and subordinate to a certain mortgage dated October 15, 1982 in favour of The Cadillac Fairview Corporation Limited as Mortgagee which mortgage was registered in the Land Registry Office for Toronto on November 5, 1982 as Instrument No. (herein referred to as a "second prior mortgage") which mortgage constitutes a second mortgage upon the premises described herein, in the principal amount of \$9,500,000.00 (the foregoing collectively referred to herein as "prior mortgages").

The Mortgagee will advance under the mortgage in its favour, the sum of \$3,128,810.24 (herein referred to as "the net sum") which together with the monies unpaid under the said prior mortgages as of November 5, 1982, will in aggregate make up the said sum of \$15,141,315.00.

PROVIDED that the mortgage herein is not in default, and the Mort receives from the Mortgagor payments due and owing under the prio: mortgages, the Mortgagee will pay as and when the same fall due a monies which after the date of first advance are or may thereafter become payable as principal, interest or taxes under said prior

mortgages.

The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform all the covenants, conditions, provisions and agreements contained in the said prior mortgages to be done, observe and performed by the Mortgagor therein and to pay principal and inte and taxes to the Mortgagee and to indemnify and save harmless the Mortgagee of and from the same and all costs, charges, damages, and expenses in connection therewith and failure in this regard sha be considered default under this mortgage in favour of the Mortgage

The Mortgagee shall not be obliged to take advantage of any privilege of prepayment contained in said prior mortgages but may at any time or from time to time at the sole discretion of the Mortgagee pay to the prior mortgageesany or all monies at such time unpaid under said prior mortgages (whether or not the same shall at such time be due) together with any bonus, penalty or other monies at the time of therespective payment required by the prior mortgages or less any discount allowed at such time and, o: payment of the entire amount payable under said prior mortgage, any monies payable to obtain and register a discharge of said prior mortgage or mortgages or a transfer thereof to the Mortgagee.

Upon the Mortgagee from time to time advancing under this mortgage any portion of the net sum, the entire principal so advanced toget with the total balance owing under the prior mortgages shall be deemed to have been fully advanced and shall be a charge on the said land and be secured by this mortgage in favour of the Mortgagee, ar all covenants, agreements, provisions, and stipulations in this mortgage contained or implied shall be effective and binding on the Mortgagor;

The Mortgagor will not at any time without the approval of the Mortcagee in writing, make or attempt to negotiate with the prior mortgageesany arrangement or agreement to prepay said prior mortgagesor otherwise vary the terms of said prior mortgag-

The Mortgagee may at any time or from time to time at the sole discretion of the Mortgagee by extension or other agreement make any arrangement with the prior mortgagees which the Mortgages at such time deems advisable to alter the terms of payment of all or any monies at such time secured by said prior mortgages, the rate of interest to be charged or any other terms, provisoes, or conditions of said prior mortgage and no such agreement or alteration shall affect the liability of the mortgagor under this mortgage and the Mortgagor will from time to time upon request by the Mortgagee in writing, complete and deliver to the Mortgagee in such form as the prior mortgage and/or the Mortgagee shall at such time request, any consent and/or approval of such arrangement at such time deemed by the prior mortgagee or the Mortgagee necessary or advisable.

Upon maturity of any prior mortgage from time to time, the Mortgagee shall have the right to renew or replace such maturing prior mortgage, which replacement mortgage is also referred to as a prior mortgage. The mortgagor will execute any documents required to give full force and effect to the same, provided the interest in such renewal or replacement shall be at the then current rate of interest on the type of mortgage being replaced or renewed and the principal is not increased over the amount due on maturity.

The Mortgagee shall execute any postponement agreement or acknowledge of priority required to effect such renewal or replacement.

if, as provided in a prior mortgage, the prior mortgagee any insurance monies received by it on principal, interest or other monies secured by said prior mortgage, and by so doing reduces the amount required to be paid by the Mortgagee pursuant to the above, the Mortgagee at its option, may treat the sum by which the liability of the Mortgagee is so reduced in the same manner as if such sum had previous to the application thereof by the prior mortgagee been advanced by the Mortgagee and had then been received by the Mortgagee by virtue of the policy or policies of insurance and, at the option of the Mortgagee, the Mortgagee may either treat such sum as being held by the Mortgagee in a suspense account or may apply such sum in or towa rebuilding, reinstating and repairing the mortgaged premises, or on the principal, interest and other monies secured by said mortgage in favour of the Mortgagee, whether or not the same is then due, in such manner as the Mortgagee shall from time to time determine or may advance such sum in whole or in part to the Mortgagor or the assigns of the Mortgagor, or may treat, apply or pay said sum partly in one and partly in other or others ofsaid modes.

Upon maturity of this mortgage or any extension or renewal there (hereinafter referred to as the date of repayment) the Mortgago: shall:

- (i) Pay or cause to be paid to the Mortgagee the principal outstanding under this mortgage together with all accr interest thereon to date of repayment, any amounts necessary to or any costs arising from the discharge of the prior mortgagesor this mortgage. Upon payment of aforesaid sums, which shall include any sum paid to the prior mortgagee or to the Mortgagee herein by way of compensation for pre-payment, the Mortgagor shall be entitled to a discharge of the prior mortgages and the mortgage herein.
- (ii) In the alternative, the Mortgagee may at the option of Mortgagee, and at the request of the Mortgagor, accept the sum specified in (i) above less the principal balk outstanding under the prior mortgage(s) together with interest thereon to date of repayment, and any costs of discharging the said prior mortgage. Upon payment of sums specified in this sub-clause, the Mortgagor shall be entitled to a discharge of this mortgage and shall assume the obligations of repayment of the prior mort as they exist on the date of repayment.
- (iii) It is understood and agreed between the parties that nothing contained in this clause shall derogate from rights or obligations of the parties contained in thi mortgage.

(40) PARTICIPATION

THE MORTGAGEE shall not be required to provide a discharge for this mortgage until all the terms of the participation agreement (Agreement) among the Mortgagee and Mortgagor and Kilderkin Investments Ltd., dated November 5th, 1982, have been satisfied to the date thereof. Failure to abide by the terms of the Agreement throughout until such time as any breach is remedied, shall constitute an act of default under this mortgage such as to entitle the Mortgagee to exercise its remedies as provided herein. The Mortgagee shall provide confirmation in writing to the parties to the Agreement when the terms thereof have been satisfied in full. The terms of the Agreement shall be deemed to have been incorporated by reference therein.

IN WITNESS WHEREOF the said Mortgagor(s) has hereunto affixed its Corporate seal duly attested by the proper Office in that behalf.

November 15,1982

 ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00° 00° East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16^o 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49^t 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16⁰ 24' 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73° 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.

PLANNING ACT AFFIDAVIT

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO LOTS 3,4,5,6,16,17,18. and 19, and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of Metropolitan Toronto as Number 413-E

Fired Transfer, No. 1 gage, Charge

AND IN THE MATTER OF A MORTGAGE/CHARGE

THEREOF FROM 526010 ONTARIO INC. and 526011 ONTARIO INC.

SEAWAY TRUST COMPANY

DATED NOVEMBER 5,

1982 .

Pierre Desmarais

of the City of Toronto of Metropolitan Toronto

in the Municipality

MAKE OATH AND SAY AS FOLLOWS:

1. Jam an authorized signing officer of the Mortgagor/Chargor

named in the above mentioned Instrument, and have knowledge of the matters hereinafter sworn.

2. A consent under section 29 of the Planning Act, as amended, in respect of the said Instrument is not required because

Devete (a)

(a) the person conveying or otherwise dealing with land in the said Instrument does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the land that is being conveyed or otherwise dealt with.

State other

SWORN before me

at the City of Toronto

Municipality of Metropolitan in the

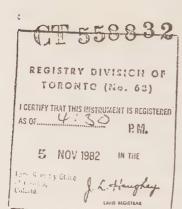
Toronto

this 5th

dayof

1982 November

authorized signing officer



2 to 6+ 16 to 20 413E LL Vol. 747

PROPERTY OF THE REGISTRY OFFICE

CT 558832

DATED: NOVEMBER 5, 1982

526010 ONTARIO INC. and 526011 ONTARIO INC.

TO

SEAWAY TRUST COMPANY

2255 Steppard Ave E. Williawdale.

MORTGAGE OR CHARGE

LOTS 3,4,5,6,16,17,18 and 19, and PART OF LOTS 2 and 20 PLAN 413-E

BROADHURST AND BALL TWO ROBERT SPECK PARKWAY SUITE 1250 MISSISSAUGA, L4Z 1H8

> 4:30 558832

Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Mortgage in favour of Kilderkin



राष्ट्र 558833 THIS INDENTURE MADE (in duplicate) the 5th day of November, 1982. BETWEEN: 526010 ONTARIO INC. 526011 ONTARIO INC. incorporated under the laws of the Province of Ontario each as to an undivided one half interest (hereinafter called the "Mortgagor" OF THE FIRST PART - and -KILDERKIN INVESTMENTS LTD. incorporated under the laws of the Province of Ontario. (hereinafter called the "Mortgagee" OF THE SECOND PAR · WHEREAS by Indenture of Lease dated August 18, 1964 registered in Land Registry Office for the Registry Division of Toronto as Instr No. 72922 E.M. and made between Sun Life Assurance Company of Cana Lessor and Aldon Developments Limited as Lessee, the Lessor did de and lease unto the Lessee its successors and assigns the land whic described in Schedule "A" attached hereto; AND WHEREAS by Articles of Amalgamation Don Mills Development Limi was amalcamated with various other companies to continue as The Ca Fairview Corporation Limited, a notarial copy of the Articles file as No. CT70220; AND WHEREAS the said lease was assigned to Don Mills Developments Limited by Indenture of Assignment registered as Instrument 72893 AND WHEREAS the said lease was further assigned to the Mortgagor b Assignment registered as Instrument No. AND WHEREAS the said Mortgagor at the time of the execution, hereo has agreed to charge its equity of redemption of the lands hereina described and has applied to the Mortgagee for a loan upon mortgag thereof. AND WHEREAS the said Mortgagor acknowledges and agrees that the Mortgagee by virtue of the irrevocable power of attorney herein becomes First Mortgagee of the lands and for that purpose this mortgage is written to show a principal amount owing in the amount of FIFTEEN MILLION, ONE HUNDRED AND FORTY-ONE THOUSAND THREE HUNDR AND TWENTY-FIVE (\$15,141,325.00)----

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being composed of the said lands as more partic described on Schedule "A" attached hereto.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of t sum of FIFTEEN MILLION, ONE HUNDRED AND FORTY-ONE THOUSAND, THREE HUNDRED AND TWENTY-FIVE (\$15,141,325.00) — DOLLARS of lawful money of Ca now paid by the said Mortgagee to the said Mortgagor, the receipt whereof is hereby acknowledged, the said Mortgagor doth grant and mortgage unto the said Mortgagee, its successors and assigns by wa of a sublease:

- (a) That part of the lands being in the City of Toronto, in the Municipality of Metropolitan Toronto, more particularly described in Schedule "A" hereto which together with the buildings exected thereon and the appurtenances and all other premises comprised therein have been demised by the Lease (excluding the last day of the term granted by the Lease);
- (b) The Lease and leasehold estate created by the Lease;
- (c) All of the Mortgagor's rights and benefits of any kind whatsoever, pursuant to the Lease, and the unexpired residue of the said term granted by the said Lease and all other estate, term, right of renewal and other interest of the sai Mortgagor therein, but excepting always the last day of the term of the said Lease or any renewal thereof or any agreement therefor;

to have and to hold unto the said Mortgagee its successors and assigns all of which said properties shall collectively be hereinafter referre to "leasehold interest".

(1) PAYMENTS - BLENDED

PROVIDED this mortgage to be void upon payment of

cf lawful money of Canada with interest at twelve (12%) per cent per anuum calculated as aforesaid, as well after as before maturity and both before and after default, as follows:-

INTEFEST at the aforesaid rate on the amounts advanced from time to time, computed from the respective dates of such advances, shall become due and be paid on the 1st day of December, 1982 and thereafter the sum of

with interest thereon as aforesaid shall become due and payable on the lst day of December, 1987.

Notwithstanding the foregoing, in the case of default by the Mort the Mortgagee may then apply any payments received during the per of default in whatever order it may elect as between taxes, inter repairs, insurance premiums or other advances or payments made by the Mortgagee on behalf of the Mortgagor.

AND Taxes and performance of Statute Labour; and payment of taxe as hereinafter set forth; and observance and performance of all covenants, provisos and conditions herein contained.

(2) ADVANCE OF FUNDS

THE MORTGAGOR agrees that neither the preparation, execution nor registration of this Indenture shall bind the Mortgagee to advance the money hereby secured, nor the advance of a part of the monies secured hereby bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution of these presents by the said Mortgagor, and the expenses of the examination of the title and of this mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this mortgage, and in default the said Mortgagee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

(3) MORTGAGOR'S COVENANTS

THE MORTGAGOR covenants with the Mortgagee that the Mortgagor will pay the mortgage money and interest and observe the above proviso, and will pay as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the said lessehold interest;

THAT the Mortgagor has a good title pursuant to the Lease to the leasehold interest;

AND that he has the right to convey the said lessehold interest to the Mortgagee;

AND that on default the Mortgagee shall have quiet possession of the said lessehold interest free from all encumbrances.

AND that the Mortgagor will execute such further assurances of the said lands and leasehold interest as may be requisite;

AND that the Mortgagor has done no act to encumber the said lands more particularly described in Schedule "A" nor the leasehold interest.;

AND that the Mortgagor will insure the buildings comprising the leasehold interest to the amount of not less than their full insurable value in dollars of lawful money of Canada.

(4) INSURANCE

AND that the said Mortgagor will insure the buildings on the said leasehold interest to the amount of not less that the greater of the replacement value of the buildings from time to time, or the principal money hereby secured, in dollars of lawful money of Canada, with no co-insurance requirements and with the Mortgagee's standard mortgage clause forming part of such insurance policy, and without limiting the generality of the foregoing the Mortgagor shall carry such liability, rental, boiler, fire and other insurance coverage as required by the Mortgagee to be placed with such insurance companies and in such form as may be acceptable to the Mortgagee. Written evidence of continuation of such insurance, from the insurer under such policy or policies to the effect that coverage has been extended for a minimum period of at least one year and that all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Mortgagee at least thirty (30) days before expiration of any term of any such respective policy, otherwise the Mortgagee may provide therefor and charge the premium paid therefor and interest thereon to the Mortgagor and the same shall also be a charge upon the said leasehold interest. It is further agreed that the Mortgagee may require any insurance on the leasehold interest to be cancelled and new insurance effected in an office to be named by it, and also may of its own accord effect or maintain any insurance herein provided for, and any amount paid by it therefor shall be forthwith payable to it, together with interest, by the Mortgagor, (together with any costs of the Mortgagee as hereinafter set out), at the rate aforesaid and shall be a charge upon the leasehold interest and secured by this mortgage (without prejudice to the foregoing statutory clause).

In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee shall be entitled to a servicing fee of \$25.00 for each written enquiry which the Mortgagee shall make to the insurer pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the leasehold interest, the Mortgagee, in addition to the aforenoted servicing fee, shall be entitled to a further servicing fee of \$100.00 for arranging the necessary insurance coverage.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy with respect to the leasehold interest secured hereunder, the Mortgagee may at its option require the said monies

to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

That the Mortgagor, upon demand, will transfer all policies of insurance effected upon the buildings, erections or fixtures (erected or to be erected) on the said lands, (with the nortgage clause in a form approved by the Mortgagee attached) and the indemnity which may become due therefrom to the Mortgagee and the Mortgagee shall have a lien for its mortgage debt on all insurance on the said buildings, erections or fixtures and may elect to have these insurance monies applied in re-instatement or towards payment of monies secured hereby whether due or not but shall not be bound to accept the said monies in payment of any principal not yet due.

Provided also that the covenant for insurance hereinbefore contained shall apply to all buildings whether now or hereafter erected on the said lands.

(5) RELEASE

AND the said Mortgagor doth release to the said Mortgagee all its claims upon the said lands subject to the said proviso.

(6) DEFAULT

PROVIDED that the Mortgagee may on the default of the Mortgagor and any of the covenantors enter on, take possession of, and sublease or sell or assign the leasehold interest and enforce any right or remedy it has with respect to the leasehold interest, and on default of payment for a least fifteen (15) days, may on at least thirty-five (35) days' notice sell the said leasehold interest. Such notice shall be given to such persons and in such manner and form provided in The Mortgages Act, as amended. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Mortgagee, by mailing it in a registered letter addressed to the Mortgagor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. PROVIDED FURTHER, without prejudice to the statutory powers of the Mortgagee under the foregoing proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continue for two months after any payment of either falls due then the Mortgagee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Mortgagee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND it is hereby further agreed that the whole or any part or parts of the said leasehold interest may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said leasehold interest or by reason of non-payment or procuring payment of moneys, secured hereby or otherwise, and that the Mortgagee may sell any of the said leasehold interest on such terms as to credit and otherwise as shall appear to

him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deer proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the said leasehold lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Mortgagee shall be bound to pay the Mortgagor only such moneys as have been actually received from purchasers after the satisfaction of the claims of the Mortgagee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder. PROVIDED that the Mortgagee may distrain for arrears of interest. PROVIDED that the Mortgagee may distrain for arrears of principal in the same manner as if the same were arrears of interest. PROVIDED that in default of the payment of the interest hereby secured, the principal hereby secured shall become payable at the option of the Mortgagee. PROVIDED that upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest shall immediately become due and payable at the option of the Mortgagee. PROVIDED that the Mortgagee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of said principal shall be as set out in the above proviso for redemption. PROVIDED further that any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. AND it is further agreed by and between the parties that the Mortgagee may at his discretion at all times release any part or parts of the leasehold interest or any other security or any surety for the money hereby secured either without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the leasehold interest or any person from this Mortgage or from any of the covenants hereby contained, it being especially agreed that every part or lot into which the said leasehold interest are or may hereafter be divided does and shall stand charged with the whole money hereby secured and no person shall have the right to require the mortgage moneys to be apportioned; and without being accountable to the Mortgagor for the value thereof, or for any moneys except those actually received by the Mortgagee. PROVIDED further that no sale or other dealing by the Mortagor with the equity of redemption in the leasehold interest or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the moneys hereby secured. said Mortgagor covenants with the said Mortgagee that he will keep the leasehold interest and the erections and improvements thereon in good condition and repair according to the nature and description thereof respectively, and that the Mortgagee may, whenever he deems necessary, by his surveyor or agent enter upon and inspect the leasehold interest and the reasonable cost of such inspection shall be added to the Mortgage debt, and that if the Mortgagor neglects to keep the said premises in good condition and repair, or commit or permit any act of waste on the leasehold interest (as to which the Mortgagee shall be sole judge) or make default as to any of the covenants or provisos herein contained, the principal hereby secured shall at the option of the Mortgagee forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised and the Mortgagee may make such repairs as he deems necessary, and the cost thereof with interest thereon shall be a charge upon the leasehold interest prior to all claims thereon subsequent to these presents.

(7) COMPLIANCE WITH BY-LAWS AND REGULATIONS

THE MORTGAGOR covenants and agrees to promptly observe, perfor execute and comply with all laws, rules, requirements, order directions, ordinances, and regulations of every government authority or agency concerning the mortgaged premises and furth agrees at its cost and expense to take any and all steps which represents agrees at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances regulations.

(8) TAXES

With respect to municipal taxes, school taxes and local improveme rates (hereinafter referred to as "taxes") chargeable against t leasehold interest hereby mortgaged, the Mortgagor covenants a agrees with the Mortgagee that:

- (a) The Mortgagee may deduct from any advance of the moni secured by this Mortgage an amount sufficient to pay t taxes which have become due and payable during any calend year.
- (b) The Mortgagee may at its sole option estimate the amount the taxes chargeable against the leasehold interest a payable in each year and the Mortgager shall forthwith up demand of the Mortgagee pay to the Mortgagee one-twelf (1/12) of the estimated annual amount of such taxes on t 1st day of each and every month during the term of th Mortgage commencing with the 1st day of the first fu month of the term of this Mortgage. The Mortgagee may its option apply such payments on the taxes so long as t Mortgagor is not in default under any covenant or agreeme contained in this Mortgage, but nothing herein contain shall obligate the Mortgagee to apply such payments account of taxes more often than yearly. Provided howeve that if the Mortgagor shall pay any sum or sums to to Mortgagee to apply on account of taxes, and if before to same shall have been so applied there shall be default the Mortgagor in respect of any payment of principal account apply such sum or sums in or towards payment of the principal and/or interest in default. If the Mortgage desires to take advantage of any discounts or avoid as penalties in connection with the payment of taxes, the Mortgagor may pay to the Mortgagee such additional amount as are required for that purpose.
- (c) In the event that the taxes actually charged for in one (calendar year, together with any interest and penaltic thereon exceed the estimated amount, the Mortgagor shall pay to the Mortgagee on demand the amount required to mall up the deficiency. The Mortgagee may at its option, pay any of the taxes when payable, either before or after the are due, without notice, or may make advances therefor excess of the then amount of credit held by the Mortgagor for the said taxes. Any excess amount advanced by the Mortgage shall be secured as an additional principal stunder this Mortgage and shall bear the same rate of interest as aforesaid until repaid by the Mortgagor.
- (d) The Mortgagor shall transmit to the Mortgagee forthwit after receipt of same the assessment notices, tax bills ar other notices affecting the imposition of taxes upon the said lands.

- (e) In no event shall the Mortgagee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Mortgagee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Mortgagee's option the Mortgagee may repay such amount to the Mortgagor without any interest.
- (f) The Mortgagor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Mortgagee.
- (g) Evidence of Payment of Taxes
 The Mortgagor hereby agrees and covenants with the Mortgagee to deliver to the Mortgagee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the lands and premises secured hereunder, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Mortgagor to comply with this covenant as aforenoted the Mortgagee shall be entitled to charge a servicing fee of \$50.00 for each written enquiry directed to such taxing authority, or the relevant taxation office for the purpose of ascertaining the status of the tax account pertaining to the lands and premises secured hereunder, together with any costs payable to the said taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Mortgagee's administrative costs and shall not be deemed a penalty.

(9) SALE OR CHANGE OF CONTROL

If the leasehold interest is sold or assigned by the Mortgagor, or if the freehold interest in the said lands is sold by the owner, or if there is a change in the control of either the Mortgagor or the freehold owner or a change in the beneficial ownership of the said lands or of the leasehold interest then in each such case all sums secured hereunder shall at the Mortgagee's option forthwith become due and payable.

(10) POSTDATED CHEQUES

The Mortgagor hereby covenants and agrees to deliver to the Mortgagee upon the first advance of monies hereunder and thereafter on each anniversary date thereof in each year for the duration of the term of the Mortgage herein, postdated cheques for the principal and interest and postdated cheques for estimated taxes as per advice of the Mortgagee and on the terms as hereinbefore set out with respect to collection of such taxes said cheques to cover the twelvemonth period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, this Mortgage shall be deemed in default and the Mortgagee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee of \$50.00 for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques.

The Mortgagor hereby agrees that any step taken by the Mortgagee hereunder by way of a request for further postdated cheques shall be without prejudice to the Mortgagee's rights hereunder to declare the Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

(11) PRE-AUTHORIZED CHEQUING PLAN

THE MORTGAGOR further covenants and agrees with the Mortgagee to deliver to the Mortgagee as and when required, in such form as the Mortgagee may reasonably require, pre-authorized cheque forms duly executed by the Mortgagor with a blank cheque attached thereto, to facilitate the handling of monthly payment instalments provided for under this mortgage.

(12) INSPECTION

The Mortgagee shall have access to and the right to inspect the leasehold interest at all reasonable times.

(13) MORTGAGE STATEMENTS

The parties hereto agree that the Mortgagor shall be entitled to receive upon written request a statement of account with respect to the within Mortgage as of any payment date under this Mortgage once in each calendar year of the term of this Mortgage. In the event that the Mortgagor or any other party requires a further statement with respect to the account pertaining to this Mortgage, the Mortgagee shall be entitled to a servicing fee of \$25.00 per such additional statement given out in any one year of the term of this mortgage.

(14) DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the Bank or Trust Company on which they are drawn, the Mortgagor shall pay to the Mortgagee for each such returned cheque a servicing fee of \$50.00 as a liquidated amount to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the Mortgagor's Bankers is not forthwith replaced by the Mortgagor, the Mortgagee shall be entitled to a further servicing fee equal to \$25.00 for each written request which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

(15) ADDITIONAL SECURITIES

In the event that the Mortgagee in addition to the premises secured hereunder holds further additional securities on account of the indebtedness secured herein, it is agreed that no single or partial exercise of any of the Mortgagee's powers hereunder or under any of such securities, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such securities. The Mortgagee shall at all times have the right to proceed against all, any, or any portion of such security or securities in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Mortgagee may have with respect to any and all of such securities, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Mortgagor under the remaining securities, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Mortgagee with respect to any and all such securities shall be at an end.

(16) INDEPENDENT LEGAL ADVICE

The Parties hereto acknowledge that they have full knowledge of th purpose and essence of this mortgage transaction, and that they hav been appropriately and independently legally advised in tha regard. The Parties agree to provide to the Mortgagee a Certificat of Independent Legal Advice as and when same may be required regarding their knowledge and understanding of this transaction.

(17) POWER OF ATTORNEY

The Mortgagor and the Spouse hereby appoint the President of the Mortgagee or any person designated by such president for this purpose, as their lawful attorney to execute any and all documentation which may from time to time be necessary for the effective enforcement of any of the Mortgagee's rights and remedie hereunder, or at law, including without limiting the generality of the foregoing sale of the property herein secured, and the signature of such attorney shall be valid and binding in the same manner as it the Mortgagor and/or the spouse had executed any such document in his/her or their own handwriting.

(18) QUIET POSSESSION

PROVIDED that until default of payment the Mortgagor shall have quiet possession of the said lands.

(19) TAKING OF JUDGEMENTS NOT A MERGER

PROVIDED and it is hereby agreed, that the taking of a judgement or judgements on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided; and further that the said judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgement shall have been fully paid and satisfied.

(20) DEFAULT ON PRIOR ENCUMBRANCE

PROVIDED and it is hereby further agreed by and between the Mortgagor and the Mortgagee that should default be made by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage or other encumbrance which has priority to this mortgage, then and ir that event the monies hereby secured shall forthwith become due and payable, at the option of the Mortgagee, and all the powers in and by this mortgage conferred shall become exercisable, at the option of the Mortgagee, and the powers of sale herein contained may be exercised as herein provided.

(21) MECHANIC'S LIENS

PROVIDED also that upon the registration of any mechanic's lier against the said lands or any part of the leasehold interest, or in the event of any structures being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the principal and interest hereby secured shall, at the option of the Mortgagee, forthwith become due and payable.

(22) EXPROPRIATION

PROVIDED that if the leasehold interest or any part thereof shall be expropriated by any Government, authority, body or corporation clothed with the powers of expropriation, the amount of the principal hereby secured remaining unpaid shall

forthwith become due and payable together with interest thereon at the said rate to the date of payment together with a bonus equal to the sum of (a) three months' interest at the said rate calculated on the amount of the said principal remaining unpaid, AND (b) one months' interest at the said rate calculated on the said amount for each full year of the term of this Morrgage or any part of such year remaining from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable.

(23) MORTGAGEE NOT TO BE DEEMED MORTGAGEE IN POSSESSION

PROVIDED and it is agreed between the Mortgagor and the Mortgagee that the Mortgagee in exercising any of the rights given to the Mortgagee under this Mortgage shall be deemed not to be a Mortgagee in possession.

(24) SHORT FORMS OF MORTGAGES ACT

THE MORTGAGOR and mortgagee covenant and agree each with the other that those provisions of this mortgage that have been added to the Short Form clauses shall not derogate from the Mortgagee's rights under the long clauses in "The Short Forms of Mortgages Act" but shall be in addition thereto or in substitution for part or parts as the Mortgagee may elect and all shall have the force of covenants and that any variation from the exact wording of the Short Form clauses shall not affect the rights of the Mortgagee under the Long Form clauses.

(25) DISCHARGE

THE MORTGAGEE shall have a reasonable period of time after payment of the mortgage monies in full within which to prepare and execute a discharge of the mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

(26) DEFINITION OF "COST"

In this mortgage the word "cost" shall extend to and include legal costs incurred by the Mortgagee as between solicitor and his own client.

(27) PAYMENT

ALL payments of principal, interest and other monies payable hereunder to the Mortgagee shall be payable at par in lawful money of Canada at such place in the City of Toronto or other place in Canada as the Mortgagee or other holder of the mortgage shall designate in writing from time to time.

IN THE EVENT THAT any of the monies secured by this mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor shall assume and be responsible for all risk of loss or delay.

(28) BONUS

PROVIDED also that on default of payment of any of the monies hereby secured or payable or on any proceedings being taken by the Mortgagee under this Mortgage, it shall be entitled to require payment, in addition to all other monies hereby secured or payable hereunder, of a bonus equal to three months' interest in advance at the rate aforesaid upon the principal money hereby secured, and the Mortgagor shall not be entitled to require a discharge of this Mortgage without such payment.

(29) HEADINGS

THE headings with respect to the various paragraphs of this Mortgage are intended to be for identification of the various provisions of this Mortgage only and the wording of such headings is not intended to have any legal effect.

(30) SERVICING FEES

ALL servicing fees as herein provided are hereby agreed by the parties to be fair and equitable under the circumstances and are intended to cover the Mortgagee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Mortgagee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or in law.

(31) INVALIDITY

IF ANY of the covenants or conditions in this mortgage contained shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

(32) GENDER AND NUMBER

PROVIDED and it is hereby agreed, that in construing these presents the words "Mortgagor" and "Mortgagee" and the personal pronoun "he" or "his" relating thereto and used therewith, shall be read and construed as "Mortgagor" or Mortgagors", "Mortgagee or Mortgagees", and "his", or "her or "their", respectively, as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights advantages, privileges, immunities, powers and things hereby secured to the Mortgagor or Mortgagors, Mortgagee or Mortgagees shall be equally secured to and exercisable by his, her or their heirs, executors, administrators and assigns, or successors and assigns as the case may be. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Mortgagor or Mortgagors, Mortgagee and Mortgagees shall be equally binding upon his, her or their heirs, executors, administrators and assigns, or successors and assigns as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

(33) REGISTRATION IN COUNTERPARTS

This Mortgage may be executed and/or registered in several counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

(33A) NO JOINT COVENANTS

Notwithstanding anything else herein contained, each of the respective Mortgagors shall only be liable for or responsible to pay its proportionate share of any sums due hereunder, which proportionate share shall be equal to its undivided proportionate interest in the Leasehold Interest as set out herein.

(34) FINANCIAL STATEMENTS

The Mortgagor covenants that it shall within ninety (90) days of the end of each fiscal year of the operation of the leasehold interest by the Mortgagor, furnish to the Mortgagee an audited annual operating statement prepared at the expense of the Mortgagor, which Statement notwithstanding the generality of foregoing, shall set forth the gross rents and other revenue derived by the Mortgagor from the leasehold interest, the costs and expenses of the operation and maintenance of the leasehold interest and premises and such information or explanations in respect of the foregoing as may be required by the Mortgagee and such statements shall be required to be prepared by a duly qualified Chartered Accountant and/or a Certified Public Accountant suitable to the Mortgagee and the correctness of such statements shall be duly supported by the Affidavit of a Director or Officer of the Mortgagor.

(35) APPOINTMENT OF A RECEIVER

Nothwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents, the Mortgagee may at such time and from time to time and with or without entering into possession of the leasehold interest appoint in writing a Receiver or Trustee of the leasehold interest or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver or Trustee and appoint another in his place and stead, and in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor. The Mortgagor hereby agrees and consents to the appointment of such Receiver or Trustee of the Mortgagee's choice and without limitation whether pursuant to this Mortgage, The Mortgages' Act, The Mechanics' Lien Act or pursuant to The Judicature Act (as the Mortgagee may at its sole option require). Without limitation the purpose of such appointment shall be the orderly management, administration and/or sale of the leasehold interest or any part thereof and the Mortgagor hereby consents to a Court Order for the appointment of such Receiver or Trustee. If the Mortgagee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Mortgagee at his sole discretion may require, including without limitation the power to manage, mortgage, pledge, lease and/or sell the leasehold interest and/or complete or partially complete any construction thereon and to receive advances of mortgage and other monies pursuant to any mortgages, pledges and/or loans entered into by the Receiver or Trustee or the Mortgagor, and if required by the Mortgagee in priority to any encumbrances affecting the said lands, including existing without limitation, mortgages and mechanics' lien claims.

Upon the appointment of any such Receiver or Trustee from time to time the following provisions shall apply:

- (i) A Statutory Declaration of an Officer of the Mortgagee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all rents falling due in respect to the leasehold interest, or any

part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (iii) The Mortgagee may from time to time fix remuneration of every such Trustee or Receiver who shall be entitled to deduct same out of the leasehold interest or the proceeds thereof;
- (iv) Each such Receiver shall, so far as concerns responsibility and liability for his acts and omissions, be deemed to be the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee;
- The appointment of every such Receiver or Trustee by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the Receiver or Trustee in any respect and such appointment or anything which may be done by any such Receiver or Trustee or the removal of any such Receiver or Trustee or the termination of any such receivership or trusteeship shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the leasehold interest or any part thereof;
- (vi) The Receiver or Trustee shall have the power to rent any portion of the leasehold interest for such term and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver or Trustee shall be acting as the attorney or agent of the Mortgagor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Mortgagor and the Mortgagor undertakes to ratify and confirm whatever acts such Receiver may do in the leasehold interest.
- (vii) Every such Receiver or Trustee shall have full power to complete any unfinished construction upon the leasehold interest;
- (viii) Such Receiver or Trustee shall have full power to manage, operate, amend, repair, alter or extend the leasehold interest or any part thereof in the name of the Mortgagor for the purposes of securing the payment of rental from the leasehold interest or any part thereof;
 - (ix) Such Receiver or Trustee shall not be liable to the Mortgagor to account for monies or damages other than cash received by him or it in respect to the leasehold interest or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (a) Its remuneration;

- (b) All payments made or incurred by him in connection with management, operation, amendment, repair, alteration or extension of the leasehold interest or any part thereof;
- (c) Any payment of interest, principal and other money which may from time to time be or become charged upon the leasehold interest in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the leasehold interest or any part thereof.

The Mortgagor hereby irrevocably appoints the Mortgagee as his Attorney to execute such Consent or Consents and all such documents as may be required in the sole discretion of the Mortgagee and/or its Solicitors so as to give effect to the foregoing provisions and the signature of such Attorney shall be valid and binding on the Mortgagor and all parties dealing with the Mortgagor, the Mortgagee and/or the Receiver or Trustee and/or with respect to the leasehold interest in the same manner as if such documentation was duly executed by the Mortgagor himself.

(36) ASSIGNMENT OF RENTALS

To further secure the indebtedness secured hereunder, the Mortgagor hereby assigns and transfers unto the Mortgagee all rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal or any letting of, or of any agreement for the use or occupancy of the leasehold interest or any part thereof, which may have been heretofore or may be hereafter made or agreed to, or which may be granted, it being the intention of the parties to establish an absolute transfer and assignment of all such rents, issues and profits under such leases and agreements, and all the avails thereunder unto the Mortgagee.

The Mortgagor further covenants and agrees to execute and deliver at the request of the Mortgagee, all such further assurances and assignments with respect to such tenancies as the Mortgagee shall from time to time require, and shall do all other acts with respect to such tenancies as requested by the Mortgagee.

Any deposits on account of any offer to lease or agreement to lease or prepaid rent received under such offers and/or agreement to lease or leases, shall be paid to the Mortgagee, to be held by the Mortgagee until such amount becomes due and payable as current rent, at which time such amount shall be released to the Mortgagor, provided in no event shall the Mortgagee be liable for any interest on any amount so paid to it as required hereunder.

In the event that the Mortgagee collects any payments of rent due to the Mortgagor's default, the Mortgagee shall be entitled to receive from such rent a Management Fee of 5% of the gross receipts from such rent, it being understood for greater certainty that the Mortgagor and Mortgagee have agreed that in the circumstances a management fee equal to 5% of gross receipts received by the Mortgagee in the collection of such rents, is a just and equitable fee having regard to the circumstances.

The Mortgagor covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the leasehold interest in advance and that the payment of none of the rents to accrue for any portion of the leasehold interest have been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor.

Provided further, that the Mortgagor will not perform any act or do anything or omit to do anything which will cause the default of any lease in the buildings erected on the leasehold interest unless consented to by the Mortgagee.

And the Mortgagor agrees that all leases, offers to lease and agreements to lease shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the lands and premises secured hereunder, and provided further that the Mortgagor shall obtain the consent of the Mortgagee prior to the execution of any lease, offer or agreement to lease, or any tenancy agreement.

(37) ADDITIONAL COVENANTS

The Mortgagor covenants and agrees that upon receipt of a written demand therefor from the Mortgagee, it shall promptly pay to the Mortgagee as the same fall due all rents, taxes and other charges payable by the Mortgagor or demanded by the Landlord pursuant to the profisions of the Lease, which the Mortgagee shall pay to the Landlord or to the competent tax authority, as the case may be, in default whereof the Mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

The Mortgagor covenants with the Mortgagee that the Lease is, at the time of the sealing and delivery of these presents, a good, valid and subsisting lease in law and not surrendered, forfeited void or voidable, and that the rents and covenants therein reserved and contained have been duly paid and performed by the Mortgagor up to the date hereof, and that the Mortgagor has the right, full power and lawful and absolute authority to demise and sublet the said lands and buildings and to grant a new sublease in manner aforesaid and according to the true intent and meaning of these presents, subject only to the consent of the Landlord.

The Mortgagor covenants and agrees that he will at all times fully perform and comply with all agreements, covenants, terms and conditions imposed upon or assumed by him as tenant under the Lease, and/or imposed upon or assumed by or agreed to by him pursuant to any prior encumbrance and that if the Mortgagor shall fail to do so the Mortgagee may (but shall not be obliged to) take any action the Mortgagee meany (but shall not be obliged to prevent or to cure any default by the Mortgagor in the performance of or compliance with any of the Mortgagor's covenants or obligations under the Lease and/or imposed upon or assumed by or agreed to by him pursuant to any prior encumbrance. Upon receipt by the Mortgagee from the owner and or any prior encumbrancer of any written notice of default by the Mortgagor, the Mortgagee may, upon notice to the Mortgagor, rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof be questioned or denied by the Mortgagor or by any party on behalf of the Mortgagee. The Mortgagor hereby expressly grants to the Mortgagee and agrees that the Mortgagee shall have the absolute and immediate right to enter in and upon the leasehold interest or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems

necessary or desirable, in order to prevent or to cure any such default by the Mortgagor. The Mortgagee may pay and expend such sums of money as the Mortgagee in its sole discretion deems necessary for any such purpose, and the Mortgagor hereby agrees to pay to the Mortgagee, immediately upon notification by the Mortgagee and without demand, all such sums so paid and expended by the Mortgagee, together with interest thereon at the rate aforesaid from the date of each such payment. All sums so paid and expended by the Mortgagee, and the interest thereon, shall stand charged upon the leasehold interest with interest at the rate aforesaid, shall be added to the principal moneys hereby secured in addition to all other moneys secured thereon, and shall be secured by the lien of this mortgage.

And the Mortgagor covenants with the Mortgagee that if this mortgage is or shall be outstanding at the expiration of the term of the Lease and the Mortgagor shall refuse or neglect to exercise his right, if any, to renew the Lease or any renewals thereof to be hereafter granted, and to pay the fees, costs, charges and expenses incidental to and payable upon such renewals, then, and as often as it shall happen, the Mortgagee may, if it thinks proper, effect such renewals in its own name or otherwise, and in that case every such new lease less one day of the term thereof and the lands and buildings thereby demised shall remain and be a security to the Mortgagee as well for the payment of all money paid to it for such renewal and its costs, charges and expenses, as for any other sums that may be due by virtue of this indenture.

And that, for the consideration aforesaid, the Mortgagor will henceforth stand possessed of the leasehold interest for the residue of the term granted by the Lease in trust for the Mortgagee, and will assign and dispose thereof as the Mortgagee may direct, but subject to the same right of redemption as is hereby given to the Mortgagor with respect to the derivative term hereby granted; the Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's substitute to be the Mortgagor's attorney during the continuance of this security and for and on behalf of the Mortgagor to assign the Lease and convey the leasehold interest and the said reversion as the Mortgagee shall, in the event of default hereunder, direct, and in particular, upon any sale made by the Mortgagee under the statutory power or powers of sale herein contained, to assign the Lease and convey the leasehold premises and the said reversion to the Purchaser; and it is hereby declared that in the event of default hereunder the Mortgagee or other person for the time being entitled to the money hereby secured may at any time, by deed, remove the Mortgagor or any other person from being a trustee of the Lease under the declaration of trust hereinbefore declared and on the removal of the Mortgagor, or any future trustee of the Lease may, by deed, appoint a new trustee or trustees in the Mortgagor's place.

The Mortgagor further covenants and agrees:

- (a) That he will not surrender the Lease or the rights of renewal, nor terminate or cancel the Lease, and that he will not without the express written consent of the Mortgagee modify, change, supplement, alter or amend the Lease either orally or in writing;
- (b) That no release or forbearance of any of the Mortgagor's obligations under the Lease or under any prior encumbrance shall release the Mortgagor from any of his obligations under this mortgage, including the obligations with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease and any

Page 18(9a)

prior encumbrance to be kept, performed and complied with by the tenant in the Lease and by the Mortgagor in any prior encumbrance;

(c) That unless the Mortgagee shall otherwise expressly consent in writing, the title in fee simple to the property demised by the Lease and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

If the Mortgagor is in default under any covenant, agreement or provision of this mortgage or in the Lease or in any mortgage to which this mortgage is subject or upon discovery by the Mortgagee that any covenant or representation contained herein or in any loan or mortgage application made in connection with the said mortgage debt or any part thereof is untrue or upon any judgement being issued against the Mortgagor or upon registration of any mechanic's lien against the leasehold interest or upon the Mortgagor allowing any buildings erected upon the said lands to remain unfinished without any work being done thereon for five days, the money hereby secured shall at the option of the Mortgagee forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given it may be exercised forthwith and all other powers hereby conferred shall become exercisable.



The Mortgagor further covenants and agrees to execute and deliver at the request of the Mortgagee, all such further assurances and assignments with respect to such tenancies as the Mortgagee shall from time to time require, and shall do all other acts with respect to such tenancies as requested by the Mortgagee.

Any deposits on account of any offer to lease or agreement to lease or prepaid rent received under such offers and/or agreement to lease or leases, shall be paid to the Mortgagee, to be held by the Mortgagee until such amount becomes due and payable as current rent, at which time such amount shall be released to the Mortgagor, provided in no event shall the Mortgagee be liable for any interest on any amount so paid to it as required hereunder.

In the event that the Mortgagee collects any payments of rent due to the Mortgagor's default, the Mortgagee shall be entitled to receive from such rent a Management Fee of 5% of the gross receipts from such rent, it being understood for greater certainty that the Mortgagor and Mortgagee have agreed that in the circumstances a management fee equal to 5% of gross receipts received by the Mortgagee in the collection of such rents, is a just and equitable fee having regard to the circumstances.

The Mortgagor covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the premises described herein, in advance and that the payment of none of the rents to accrue for any portion of the said lands and premises have been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor.

Provided further, that the Mortgagor will not perform any act or do anything or omit to do anything which will cause the default of any lease in the buildings erected on the mortgaged lands, unless consented to by the Mortgagee.

And the Mortgagor agrees that all leases, offers to lease and agreements to lease shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the lands and premises secured hereunder, and provided further that the Mortgagor shall obtain the consent of the Mortgagee prior to the execution of any lease, offer or agreement to lease, or any tenancy agreement.

(39) WRAP MORTGAGE

THIS MORTGAGE is subject and subordinate to a Wrap Mortgage dated the 5th day of November, 1982, made between 526010 Ontario Inc., and 526011 Ontario Inc. as Mortgagor and Seaway Trust Company as Mortgagee which mortgage is registered in the Land Registry Office at Toronto (hereinafter referred to as the "Wrap Prior Mortgage") which mortgage constitutes a First Wrap Mortgage upon the premises described herein in the principal amount of \$15,141,315.00 and which mortgage, by its term, matures on the 10th day of December, 1984.

The Mortgagee will advance, under the Mortgage in its favour, the sum of \$10.00, (herein referred to as the net sum) which, together with the monies secured under the said "Wrap Prior Mortgage" will in the aggregate make up the sum of \$15,141,325.00.

PROVIDED that the mortgage herein is not in default, and the Mortgareceives from the Mortgagor payments due and owing under the prior mortgages, the Mortgagee will pay as and when the same fall due a monies which after the date of first advance are or may thereafter become payable as principal, interest or taxes under said prior mortgages.

The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform all the covenants, conditions, provisions and agreements contained in the said prior mortgages to be done, observe and performed by the Mortgagor therein and to pay principal and intended taxes to the Mortgagee and to indemnify and save harmless the Mortgagee of and from the same and all costs, charges, damages, and expenses in connection therewith and failure in this regard shabe considered default under this mortgage in favour of the Mortgage.

The Mortgagee shall not be obliged to take advantage of any privilege of prepayment contained in said prior mortgages but may at any time or from time to time at the sole discretion of the Mortgagee pay to the prior mortgagees any or all monies at such time unpaid under said prior mortgages (whether or not the same shall at such time be due) together with any bonus, penalty or other monies at the time of the respective payment required by the prior mortgages or less any discount allowed at such time and, or payment of the entire amount payable under said prior mortgage, any monies payable to obtain and register a discharge of said prior mortgage or mortgages or a transfer thereof to the Mortgagee.

Upon the Mortgagee from time to time advancing under this mortgage any portion of the net sum, the entire principal so advanced togeth with the total balance owing under the prior mortgages shall be deemed to have been fully advanced and shall be a charge on the said land and be secured by this mortgage in favour of the Mortgagee, an all covenants, agreements, provisions, and stipulations in this mortgage contained or implied shall be effective and binding on the Mortgagor;

The Mortgagor will not at any time without the approval of the Mortgagee in writing, make or attempt to negotiate with the prior mortgageesany arrangement or agreement to prepay said prior mortgagesor otherwise vary the terms of said prior mortgage

The Mortgagee may at any time or from time to time at the sole discretion of the Mortgagee by extension or other agreement make any arrangement with the prior mortgagees which the Mortgagee at such time deems advisable to alter the terms of payment of all or any monies at such time secured by said prior mortgages, the rate of interest to be charged or any other terms, provisoes, or conditions of said prior mortgage and no such agreement or alteration shall affect the liability of the mortgagor under this mortgage and the Mortgagor will from time to time upon request by the Mortgagee in writing, complete and deliver to the Mortgagee in such form as the prior mortgage and/or the Mortgagee shall at such time request, any consent and/or approval of such arrangement at such time deemed by the prior mortgagee or the Mortgagee necessary or advisable.

Upon maturity of any prior mortgage from time to time, the Mortgagee shall have the right to renew or replace such maturing prior mortgage, which replacement mortgage is also referred to as a prior mortgage. The mortgagor will execute any documents required to give full force and effect to the same, provided the interest in such renewal or replacement shall be at the then current rate of interest on the type of mortgage being replaced or renewed and the principal is not increased over the amount due on maturity.

The Mortgagee shall execute any postponement agreement or acknowledgeme of priority required to effect such renewal or replacement.

If, as provided in said "Wrap Prior Mortcace," the "Wrap Prior "Mortcacee" applies any insurance monies received by it on princip. interest or other monies secured by said "Wrap Prior Mortcace," and by so doing reduces the amount required to be paid by the Mortcagee pursuant to the above, the Mortcagee at its option, may treat the sum by which the liability of the Mortcagee is so reduced in the same manner as if such sum had previous to the application thereof by the "Wrap Prior Mortcagee "been advanced by the Mortcagee and had then been received by the Mortcagee by virtue of the policy or policies of insurance and, at the option of the Mortcagee, the Mortcagee may either treat such sum as being held the Mortcagee in a suspense account or may apply such sum in or towards rebuilding, reinstating and repairing the mortcaged premises, or on the principal, interest and other monies secured by said mortcage in favour of the Mortcagee, whether or not the same is then due, in such manner as the Mortcagee shall from time to time determine or may advance such sum in whole or in part to the Mortcagor or the assigns of the Mortcagor, or may treat, appl or pay said sum partly in one and partly in other or others of said modes.

Upon maturity of this mortgage or any extension or renewal thereof (hereinafter referred to as the date of repayment) the Mortgagor shall:

- Pay or cause to be paid to the Mortcagee the principal outstanding under this mortgage together with all accrue interest thereon to date of repayment, any amounts necessary to or any costs arising from the discharge of the Wrap Prior Mortgage" or this mortgage. Upon payment of the aforesaid sums, which shall include any sums paid to the Wrap Prior Mortgagee" or to the Mortgagee herein by way of compensation for pre-payment, the Mortgagor shall be entitled to a discharge of the amount this unit is secured pursuant to the per unit division of the Wrap Prior Mortgage."
- In the alternative, the Mortgagee may at the option of the Mortgagee, and at the request of the Mortgager, accept the sum specified in (i) above less the principal balance outstanding under the "Wrap Prior Mortgage" together with interest thereon to date of repayment, and any costs of discharging the said Wrap Prior Mortgage Upon payment of the sums specified in this sub-clause, the Mortgagor shall be entitled to a discharge of this mortgage and shall assume the obligations of repayment of the Wrap Prior Mortgage" as they exist on the date of repayment. In the event the "Wrap Prior Mortgage" no longer exists, the terms hereof shall apply to the then existing prior mortgages, as defined thereunder.
- (iii) It is understood and agreed between the parties that nothing contained in this clause shall derogate from the rights or obligations of the parties contained in this mortgage.

(40) PRIVILEGE

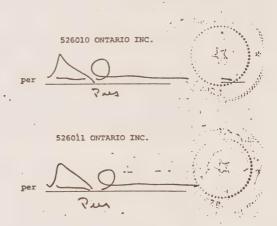
The Mortgagee shall have the privilege upon maturity, at its option, to renew this mortgage for a further term of 5 years, on the same terms and conditions, save for any further renewal. The Mortgagee shall give not less than 30 days notice in writing to the Mortgagor advising of the exercise of this right of renewal.



(40) PARTICIPATION

THE MORTGAGEE shall not be required to provide a discharge for this mortgage until all the terms of the participation agreement (Agreement) among the Mortgagee and Mortgagor and Kilderkin Investments Ltd., dated November 5th, 1982, have been satisfied to the date thereof. Failure to abide by the terms of the Agreement throughout until such time as any breach is remedied, shall constitute an act of default under this mortgage such as to entitle the Mortgagee to exercise its remedies as provided herein. The Mortgagee shall provide confirmation in writing to the parties to the Agreement when the terms thereof have been satisfied in full. The terms of the Agreement shall be deemed to have been incorporated by reference therein.

IN WITNESS WHEREOF the said Mortgagor(s) has hereunto affixed its corporate seal duly attested by the proper office in that behalf.



PLANNING ACT AFFIDAVIT

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO LOTS 3,4,5,6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan registered in the Registry Office for Metropolitan Toronto, as Number 413-E.

Euro Transfer, Mer page Charge

AND IN THE MATTER OF A MORTGAGE/CHARGE

THEREOF, FROM 526010 ONTARIO INC. and 526011 ONTARIO INC.

KILDERKIN INVESTMENTS LTD.

DATED November .5.

1982 .

Pierre Desmarais

of the City of Toronto in the Municipali

authorized signing officer.

of Metropolitan Toronto

MAKE OATH AND SAY AS FOLLOWS:

1. Jam an authorized signing officer of the Mortgagor/Chargor.

named in the above mentioned Instrument, and have knowledge of the matters hereinafter sworn.

2. A consent under section 29 of the Planning Act, as amended, in respect of the said Instrument is not required because

(a) the person conveying or otherwise dealing with land in the said Instrument does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the land that is being conveyed or otherwise dealt with.

SWORN before me

at the City of Toronto

_ Municipality of

Metropolitan Toronto

this 5th

1982 dayof Novembe

A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00° 00° East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16⁰ 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49. 40. West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16⁰ 24''20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73° 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.

558833

REGISTRY DIVISION OF TORONTO (HE. 38)

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DATED: NOVEMBER 5th 1982

526010 ONTARIO INC. 526011 ONTARIO INC.

TO

KILDERKIN INVESTMENTS LTD.

164 Dudas St. W. Minninga

CHARGE OR MORTGAGE

LOTS 3,4,5,6, 16,17,18, and 19 and PART of Lots 2 and 20, Plan No. 413-E

BROADHURST AND BALL
TWO ROBERT SPECK PARKWAY SUITE 1250
MISSISSAUGA, L4Z 1H8

4:5° 558833



Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Lease between Kilderkin, 526010 and 526011 Ontario Inc.



THIS INDENTURE made this 5th day of November, 1982.

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

526010 ONTARIO INC. and 526011 ONTARIO INC., each as to an undivided one-half interest, incorporated under the laws of the Province of Ontario.

(hereinafter called the "Lessor")

OF THE FIRST PART,

- and -

KILDERKIN INVESTMENTS LTD., a Company incorporated under the laws of the Province of Ontario.

(hereinafter called the "Lessee") .

OF THE SECOND PART.

WITNESSETE that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be respectively paid, observed and performed, the Lessor has demised and leased and by these presents doth hereby demise and lease unto the Lessee the lands Toronto ,in the Province of Ontario, in the City of The Towne known as being more particularly described in Schedule "A". hereunder annexed, together with all buildings, erections, structures and works now or hereafter erected or constructed thereon, and together with all wiring, plumbing and heating apparatus and equipment, and fixtures (other than tenants' fixtures not owned by the Lessor), and all improvements and appurtenances thereunto appertaining (all of the foregoing being herein referred to as "the demised premises" or "the premises").

TO HAVE AND TO HOLD the said premises for and during the term of ten (10) years, to be computed from and inclusive of the 5th day of November, 1982, and from thenceforth next ensuing and fully to be complete and ended on the 4th day of November, in the year 1992.

YIELDING AND PAYING THEREFOR unto the Lessor, its successors and assigns, without any set off, defalcation, deduction or abatement whatsoever, during the first year nil, during the second year nil, during the third year, nil, during the fourth year the sum of \$50,467.17 , during the fifth year the sum of \$100,934.34 , during the sixth year the sum of \$151,401.51 during the seventh year the sum of \$201,868.68 , during the eighth year the sum of \$252,335.85 , during the ninth year the sum of \$302,803.02 , and during the tenth year the sum of \$353,270.19 , such yearly amounts to become due and be payable annually, in one payment in arrears on the 5th day of November, in each year, the first of such payments falling due on November 5th, 1986, and as to the succeeding years the aforesaid amounts on the 5th day of November each year thereafter.

YIELDING AND PAYING THEREFOR unto the Lessor, its successors and assigns, or for its account, as additional rent, the moneys and other charges, costs and expenses hereinafter provided to be paid by the Lessee in like money at the several times when the same become payable. It is understood that this Lease shall be a net net carefree Lease to the Lessor as described in the preceding paragraph without the burden or expense of any other costs associated with the demised premises except income tax.

AND THE LESSEE COVENANTS AND AGREES WITH THE LESSOR as follows:

- 1. The Lessee will, during the term hereof pay unto the Lessor the rent hereby reserved and all additional rents, as rent in the manner and at the times herein provided, without any deduction, abatement or setoff whatsoever.
- 2. (a) As additional rent (yield) hereunder, the Lessee shall promptly discharge and pay when due all insurance premiums as hereinafter mentioned and shall discharge and pay when due (subject to the right of contestation as hereinafter mentioned) before any fine, penalty, interest or costs may be

added thereto, all taxes, rates, duties, assessments and other public charges which prior to the commencement of the term hereof have been, or during the term hereof may be levied, rated, charged or assessed against the premises and all buildings, equipment and facilities thereon and therein, and any property now or hereafter on the premises owned or brought thereon by the Lessee, or the individual tenants, as subtenants of the Lessee who are included herein in this subclause within the expression "Lessee"; and every tax, licence fee, business tax and other public charges (excepting, however, any income or profit taxes imposed on or against the Lessor) which prior to the commencement of the term hereof has been, or may during the term hereof, be assessed, levied or charged in respect of the occupancy of the premises by the Lessee, or the business carried on therein by the Lessee or the property of the Lessee therein, whether such taxes, rates, assessments, licence fees and other public charges are assessed, levied or charged by Municipal, Provincial, Federal, school or other public body; and all charges for electric current, telephone, water and other rates in connection with the premises. And the Lessee will indemnify and keep indemnified the Lessor from and against the payment of any such tax, rate, duty, assessment, licence fee or other public charge, electric current rate and other utility charges, and from and against any loss, liability, cost, charge and expense by reason of the Lessee's failure to pay the same when due. And the Lessee will, forthwith after payment of the foregoing items and charges, produce to the Lessor, on demand, evidence satisfactory to the Lessor, of the fact of such payment.

(b) It is agreed that the Lessee shall have the right to contest the validity of, or the amount of, any tax, rate, assessment or other public charge (if, meanwhile, such contestation will involve no forfeiture, foreclosure, escheat, sale or termination of the Lessor's title to the demised premises or any part thereof), but upon a final determination of any such contest the Lessee shall immediately pay and satisfy the amount of any such tax, rate, assessment or other public charge declared or found to be due, together with all proper costs, penalties, interest or other charges (if any) payable in connection therewith; upon being provided with suitable indemnity or security satisfactory to it, in relation to any costs, charges, rates, assessments, or expenses which it may incur, or be likely to incur, the Lessor agrees, at the

request of the Lessee, to join in any such contest if its presence is reasonably necessary to perfect the proceedings in relation thereto, but the Lessor shall not be responsible for the conduct or carriage of such proceedings, nor incur any liability whatsoever by reason of having joined therein and the Lessee shall indemnify and save harmless the Lessor against and from any such liability.

- (a) The Lessee, at its own cost and expense, shall oper-3. ate, heat, if necessary, and maintain and keep the premises in good order and condition, promptly making all repairs and replacements when needed (both inside and outside, structural and otherwise) in and to the same and each and every part thereof. If the Lessee shall at any time fail to make any such repairs or replacements when needed, the Lessor may make the same or cause the same to be made, and the cost thereof, together with interest thereon computed at the rate of twenty per cent (20%) per annum from the date of payment by the Lessor shall be charged to and paid by the Lessee to the Lessor as additional rent due on the next ensuing rent day. The Lessee agrees to permit the Lessor and its representatives at all reasonable times to enter upon and view the premises and the state of repair of the same, and to make such repairs and replacements as the Lessor may specify in writing.
- (b) The Lessee, at its own expense, shall make all repairs, alterations and replacements (both inside and outside, structural and otherwise) in, on and to each and every part of the premises and in, on and to each and every part of all adjoining lands and/or premises, rights-of-way, and easements which may be lawfully required of the Lessor as owner of the premises as a result of any encroachment of the Lessor's premises or any part or parts thereof on any adjoining lands and/or premises, rights-of-way and easements or any part or parts thereof. The Lessee shall also at its own expense, if the Lessor is lawfully required to do so, remove any and all structures, buildings and edifices or any part or parts thereof from the premises which encroach upon any lands and/or premises of adjoining owners or on any rights-of-way or easements. If the Lessee shall at any time fail to make any such repairs, alterations and replacements or shall fail to remove any and all structures, buildings and edifices or any parts thereof when required to do so under this agreement, then the Lessor

may make the same or cause the same to be made and the cost thereof together with interest thereon computed at the rate of twenty per cent (20%) per annum from the date of payment by the Lessor shall be charged to and paid by the Lessee to the Lessor as additional rent due on the next ensuing rent day.

4. The Lessee represents that it has inspected the premises and finds them to be in good condition and covenants that during the term hereof, in the maintenance, use and occupation of the premises, the Lessee will at its own cost and expense comply with any applicable regulation or order of the Canadian Fire Underwriters' Association, or any body having similar functions, or of any Liability or Fire Insurance Company by which the Lessor and/or the Lessee may be insured, and with all applicable laws, ordinances and regulations of duly constituted public authorities having jurisdiction now or hereafter in any manner affecting the premises or the use or occupation thereof, whether or not such regulations, orders, laws or ordinances which may hereafter be promulgated, issued or enacted involve a change of policy or require structural or other changes or alterations in and about the premises.

The Lessee agrees to indemnify and hold the Lessor harmless:

- (a) from the consequences of any violation of such orders, regulations, laws and ordinances; and
 - (b) from all liability and claims for damage on account of injuries, death or property damage resulting from such violation.
- of its obligations hereunder, shall have the right to make at its own expense such alterations in, or additions and improvements to the premises as it may deem advisable, subject to the prior written consent of the Lessor which consent shall not be unreasonably withheld, provided that no such alteration, addition or improvement shall reduce the value or character of the premises or weaken the structural safety of the same or be detrimental to the use of the same. Any such alteration, addition or improvement, when made (excluding Lessee's fixtures) shall become and remain the property of the Lessor.

- mechanics', labourers', materialmen's or similar lien to stand against the premises for any labour or materials furnished to, or with the consent of, the Lessee, its agents or contractors, in connection with work of any character performed or claimed to have been performed on the premises by or at the direction or sufferance of the Lessee. In the event of the Lessee's failure to promptly so remove any such lien, the Lessor, at its option, may pay and discharge the same, and all amounts paid by or on behalf of the Lessor, together with all expenses incurred in connection therewith, and interest thereon at the rate of twenty per cent (20%) per annum from the date of payment by or for the Lessor shall be charged to, and paid by, the Lessee as additional rent due on the next ensuing rent day.
- The Lessee agrees to indemnify and save the Lessor 7. harmless from and against any and all liability, claims, demands, actions and causes of action of any nature whatsoever, and any expense incident thereto, for injury to or death of persons, or loss of or damage to property, occurring on the premises or the adjoining walks, drives, ways or streets, or in any manner growing out of or in connection with the Lessee's use or occupation of the premises, or the condition thereof or the adjoining walks, drives, ways or streets during the term hereof, or arising out of any breach of the Lessee's covenants herein or out of any work being done in or about the premises. The Lessee further agrees to maintain public liability insurance with companies having a financial responsibility satisfactory to the Lessor protecting the Lessor equally with the Lessee from liability in an amount not less than \$5,000,000.00 for injury or death to any one person, not less than \$5,000,000.00 for all deaths or injuries resulting from any one accident or occurrence, and not less than \$5,000,000.00 for loss of or damage to property. The Lessee will, upon request, deliver evidence of such insurance to the Lessor, satisfactory to the Lessor.
- 8. (a) During the term hereof, the Lessee will insure and keep insured, for the benefit of the Lessor, the premises against Loss, damage or destruction by fire and other perils, hazards and risks such as are usually carried by persons owning comparable properties in or with one or more insurance companies, mutual or otherwise, approved by the Lessor and licensed to do business in Canada, as the Lessee may elect, in

an amount equal to the replacement value of the building and other improvements comprised in or forming part of the premises, and the Lessee will produce to the Lessor for inspection and retention by the Lessor, when and if required by the Lessor, a certificate by the insuring agents, and/or the original copy of every such policy of insurance, or other appropriate evidence of such insurance satisfactory to the Lessor. The Lessee shall obtain a waiver of subrogation rights against the Lessor by the insurer under all such policies.

- (b) The Lessee shall duly and seasonably pay all premiums and other sums of money for maintaining any such insurance as aforesaid, and shall either assign the benefit of all policies and contracts of insurance, which include or cover the premises or any part thereof, to the Lessor or cause the insurance moneys thereunder to be made payable in case of loss, to the Lessor, or otherwise deal with such policies and contracts of insurance as the Lessor may direct, so as to enable the Lessor to collect, receive and apply such of the insurance moneys as are payable in respect of any loss or damage to the premises.
- (c) In case of damage to, or total or partial destruction of, the building or other improvements comprised in the premises by fire or otherwise, the Lessee shall give to the Lessor prompt notice thereof, and shall promptly proceed at its own cost and expense to restore such property so damaged to at least the same approximate condition as prevailed immediately prior to the occurrence of such damage, with such changes as may be requested by the Lessee and approved by the Lessor prior to commencement of the work.
- (d) The Lessor shall during the course of such restoration referred to in the next preceding sub-clause (c), advance funds to the Lessee to the extent of any insurance so received by the Lessor, for the cost and expenses to be paid by the Lessee; PROVIDED, however, in the case of privileged claims being registered against the premises by reason of the work being carried out thereon by the Lessee or of the Lessor having received notice of liens in connection with such work, the Lessor may, at its option, either withhold payment until the settlement and duly and after ten (10) day's written notice to the Lessee, pay off any such claim or lien and deduct the amount thereof from the insurance moneys which otherwise would have been payable to the Lessee.

- (a) If during the term of this lease, the whole of the premises shall be expropriated or taken by any public or paramount authority, or as a result of the exercise of the power of eminent domain, then the whole of the award or settlement made as compensation and/or damages for such taking shall be paid to and received by the Lessor, and the Lessee hereby assigns, transfers and sets over unto the Lessor all its right, title and interest therein and thereto. Should such award or settlement be less than the balance of the rental payable hereunder during the remainder of the term of this lease, then the Lessee shall pay to the Lessor the difference between such balance of rental and the amount of the awarded or settlement, and this lease shall then be at an end and no further rent shall be payable by the Lessee upon payment of the said difference. If such award or settlement shall be equal to, or greater than, the amount of such balance of rental payable hereunder, then upon receipt thereof by the Lessor this lease shall be at an end and no further rent shall be payable by the Lessee hereunder.
- (b) If only a portion of the said premises be so taken by public or paramount authority as aforementioned, then the award or settlement made as compensation shall be paid to the Lessor as aforesaid and the Lessee will, at its option, either:
 - (i) continue in possession of the remainder of the premises under this lease, in which case the Lessee shall promptly and with due diligence make and effect all repairs and alterations required or made necessary as a result of such taking, and upon the completion hereof the Lessor shall reimburse the Lessee for the cost thereof, but only to the extent of the amount of the award or settlement received by the Lesson; and if the amount of the award or settlement received by the Lessor shall exceed the amount paid to the Lessee as such reimbursement, then the monthly rental for the month next following the month in which such repairs and alterations are completed and for each month thereafter during the remainder of the term of this lease shall be reduced in the ratio that

the excess amount of such award or settlement retained by the Lessor bears to the original cost of the said premises to the Lessor; or

- (ii) terminate this lease, in which case the Lessee shall pay to the Lessor, an amount equal to the amount, if any, by which the award received by the Lessor shall be less than the balance of the rental payable from the date of such termination to the expiration of the original term of this lease.
- (c) If the Lessee shall not, within thirty (30) days following the payment of such award or settlement to the Lessor in respect of such partial taking, have by written notice to the Lessor, made its election as to the options set out in the next preceding subparagraph (b) hereof, then the Lessee shall be deemed to have elected the option contained in subclause (ii) of the said subparagraph (b).
- (d) If the lease is terminated under the provisions of this paragraph, the payment in cash or by certified cheque of the the purchase price owing to it under the terms of the Agreement of Purchase and Sale between the Lessor as Purchaser and the Lessee as the Vendor shall be accelerated and paid forthwith.
- 10. Except as otherwise expressly provided herein, this lease shall not be terminable by the Lessee for any reason, nor shall the Lessee for any reason be entitled to any abatement of, or reduction in, the rent payable by the Lessee hereunder, it being expressly understood and agreed that, except as otherwise provided herein, the Lessee shall, throughout the original term of this lease, in every event and under all circumstances and, without limiting the generality of the foregoing, notwithstanding the taking of the premises or any part thereof by the exercise of the power of eminent domain, or the seizure or sale thereof in whole or in part as a result of due process of law, or the destruction of or damage to all or any part of the building, structures or fixtures thereon, by fire, explosion, the elements or otherwise, or the prohibition of the use of such premises by any law, ordinance or other governmental act or authority or by injunction or other legal process, continue to pay to the Lessor in the manner hereinabove provided, the full rental payable under the terms

hereof, without deduction, abatement or setoff.

- 11. The Lessee will, at the expiration of the term hereof or sooner termination of the said term as herein provided, peaceably surrender and yield up to the Lessor the premises hereby demised, in good and substantial repair and condition, reasonable wear and tear excepted.
- The Lessee upon paying the rent hereby reserved and performing and observing the covenants and conditions herein contained on its part to be performed and observed, shall and may peaceably enjoy and possess the premises for the term hereby granted without any interruption or disturbance from the Lessor, or any other person or persons lawfully claiming by, from or under it, provided, however, that nothing herein contained shall be construed as a warranty by the Lessor to the Lessee as against any adverse claims, encumbrances or defects in title to the premises existing prior to acquisition of title by the Lessor or asserted by persons claiming by, from or under any predecessor in title to the Lessor.
- If the term hereby granted or any of the goods and 13. chattels of the Lessee, shall at any time during the said term or any renwal thereof be seized or taken in execution or attachment by any creditor of the Lessee, or if a writ of execution, sequestration or extent shall issue against the goods and chattels of the Lessee, or if the Lessor shall execute any security agreement or bill of sale of its goods and chattels (other than as may be incidental to any public issue of bonds, debentures or other securities of the Lessee, or to any reorganization of the Lessee, or its amalgamation with another company) or if the same become liable to seizure by any security holder or lien holder, or if the Lessee shall make any assignment for the benefit of creditors or becoming bankrupt or insolvent shall be so adjudged by any court of competent jurisdiction under any act or statute now or hereafter in force, or if the Lessee shall take the benefit of any act or statute now or hereafter in force for, or of advantage to, bankrupt or insolvent debtors, or shall become subject to any act or statute relating to liquidation or winding-up, or shall take any corporate steps toward dissolution or other termination of its corporate existence (except if the same be incidental to any reorganization of the Lessee, or to the amalgamation of the Lessee with any other company), or if any petition or other application is presented to any court of competent jurisdiction for the dissolution, liquidation or winding-up of the Lessee, or for the appointment of a receiver or a receiver and manager, or in case the Lessee shall abandon or attempt to abandon the

premises, or in case the said premises shall be used for any purpose other than that for which they were let without the written consent of the Lessor, or if the Lessee shall make any sale or other disposition of its goods and chattels pursuant to any legislation relating to bulk sales (other than as may be incidental to any reorganization of the Lessee, or to its amalgamation with any other Company), then, and in every such case, the then current and the next ensuing three months' rent and the taxes for the current year (to be reckoned at the rate for the previous year if the rate shall not have been fixed for the then current year) shall immediately become due and be payable; and the Lessor may at any time thereafter re-enter and take possession of the said premises or any part thereof in the name of the whole, and have again, repossess and enjoy the said premises as of their former estate, anything herein to the contrary notwithstanding, as though the Lessee, its servants or agents were holding over after the expiration of the said term, and the said term shall, at the option of the Lessor, forthwith become forfeited and determined, and in every of such cases such accelerated rent and takes shall be recoverable by the Lessor in the same manner as the rent hereby reserved and as if they were rent in arrear, but the Lessee shall remain liable as hereinafter provided; and the said option may be exercised by the Lessor by notice in writing to the Lessee as herein mentioned. The forfeiture shall not affect the individual tenants of space within the premises, who shall be entitled to remain if their subleases are in good standing.

If the Lessee shall make any default in the payment of the rent reserved hereunder, or any time of additional rent, or any part of either, or in making any other payment herein provided, and such default shall continue for forty-five (45) days after written notice thereof by the Lessor, of if the Lessee shall default in the observance or performance of any other covenant or agreement herein contained and such default shall continue for forty-five (45) days after written notice thereof by the Lessor, or in the case of a default other than with respect to the payment of money which cannot with due diligence be cured within such forty-five (45) day period if the Lessee fails to commence promptly and proceed diligently after such notice to cure the same, then the term hereby granted shall, at the option of the Lessor, terminate and be at an end, and the Lessee shall quit and surrender the premises to the Lessor but the Lessee shall remain liable as hereinafter

provided; and the said option may be exercised by notice in writing to the Lessee as herein mentioned.

- Upon termination of the term granted hereby, as provided in clause 13, the Lessor may immediately or at any time thereafter, re-enter the premises, and repossess and enjoy the premises, together with all additions, alterations and improvements. In such case the Lessor may, at the Lessor's option, re-let the premises or any part or parts thereof for the Lessor's own account, or may, at the Lessor's option, relet the premises or any part or parts thereof as agent for the Lessee, and receive the rents therefor, applying the same first to the payment of such expenses as the Lessor may have incurred, and then to the fulfilment of the covenants of the Lessee herein and the balance, if any, at the expiration of the term first above provided for, shall be paid to the Lessee. In the event that the term of this lease shall terminate as provided in clause 13 hereof and if the Lessor should not re-let the premises for the Lessor's own account, then whether or not the premises be re-let, the Lessee shall remain liable for, and the Lessee hereby agrees to pay to the Lessor, until the time when this lease would have expired but for such termination, the equivalent of all the rent and "additional rent" reserved herein, less the avails of re-letting, if any, and the same shall be due and payable by the Lessee on the several rent days above set forth, that is, the Lessee shall pay to the Lessor, upon each of the said rent days, the amount of the deficiency then existing.
- 15. Upon default of any monetary payment as provided herein or default in performance of any other covenants as provided herein and upon the Lessor terminating this Lease, the Lessee shall, within thirty (30) days of written notice of termination, pay the Lessor the yield accruing from the last payment date to the date of payment based on the number of days as a fraction of 365. In addition, the Lessor shall be entitled to the repayment of the original balance of the purchase price for the premises in the form in which it was paid on closing of the purchase.
- 16. The Lessee covenants that it will not use the said premises otherwise than in connection with its busines and will not carry on, or permit to be carried on by it or subtenants in or upon the premises any noxious or offensive trade or business

which shall or may grow to be a nuisance or by which the building or erection shall be injuriously affected or by reason of which it shall become impossible to obtain and maintain insurance against fire and the usual additional perils.

- 17. All notices, elections, demands and requests which may be, or are required to be, given by either the Lessor or the Lessee herein, shall be in writing, and either served personally or sent by postage prepaid registered mail addressed, if to the Lessor, to c/o Suite 1702, 11 King Street West, Toronto, and if to the Lessee, to Kilderkin Investments Ltd., 165 Dundas Street West, Mississauga, or to such other address as the Lessor or the Lessee may from time to time respectively designate by notice in writing given pursuant to this paragraph hereof; and it is agreed that any notice, election, demand or request, if mailed as aforesaid, shall irrefutably be deemed to have been received by the addressee thereof after the lapse of four (4) days from the time when the same was delivered into the custody of one of Her Majesty's Post Offices in the Province of Ontario.
- 18. If, at the expiration of this lease or any renewal hereof, the Lessee shall hold over for any reason the tenancy of the Lessee thereafter shall be from month to month only and shall be subject to all the terms and conditions of this lease, except as to duration, in the absence of any written agreement to the contrary.
- 19. (a) The Lessee covenants and agrees that it will not assign or transfer this lease, or the demised premises, without the consent in writing of the Lessor first obtained, and it is agreed that, notwithstanding any act or statute or rule of law or regulation now or hereafter in force to the contrary, the Lessor may in its discretion withhold such consent.
- (b) The Lessee shall have the right to sublet less than the entire premises in the ordinary course of business, without the consent of the Lessor to any responsible tenant or tenants for any period or periods extending not beyond the term of this lease, at such reasonable rent and with such covenants and conditions as it may see fit, but subject nevertheless to the provisions of this lease and subject to the next following subparagraph (c) hereof.

- (c) The Lessee covenants and agrees that in the event of any assignment or transfer with the consent of the Lessor as aforesaid, or in the event of any sub-letting without the consent of the Lessor as aforesaid, then, nowithstanding any act or statute or rule of law or regulation to the contrary, the Lessee shall nevertheless remain liable to the Lessor for the payment of all rent and additional rent payable hereunder, and for the full observance and performance of the covenants, agreements, terms and conditions herein contained, and the Lessee shall indemnify and save harmless the Lessor against and from all acts of default or neglect in respect of the premises by any assignee, transferee or sublessee.
- 20. (i) The Lessee shall make as they fall due all payments to be made under the mortgages to which the premises may be subjected to during the term hereof and the Lessor covenants and agrees to execute all requisite mortgage documentation that may be required by the Lessee from time to time during the term hereof as may be arranged by the Lessee in such amounts and upon the then prevailing market terms as the Lessee may require, in order to renew or replace any existing mortgages on the premises.
- (ii) The Lessee shall provide particulars of any new proposed mortgaging for the premises and the Lessor shall have the right to cause the Lessee to arrange such renewal or replacement with a mortgagee designated by the Lessor, if same can be obtained on more favourable terms.
- (iii) The principal amount of any renewal or replacement mortgage shall not exceed the principal amount outstanding on the respective mortgage so to be renewed or replaced at the date of maturity thereof, unless the excess be applied to principal reduction of the mortgage next subsequent in priority amd provided that the aggregate of the mortgage financing in priority to the wrap-around mortgage held by the Lessee on the premises shall not exceed the wrap-around mortgage so held by the Lessee.
- (iv) The Lessor shall not have the right to execute mortgage financing on the premises during the lease without the consent of the Lessee and such consent may be arbitrarily withheld or delayed.

- (v) The Lessor hereby appoints the President of the Lessee or any person designated by such President for this purpose, as its lawful attorney to execute any and all requisite mortgage documentation which may be necessary to satisfy the requirements of the mortgagee pertaining to any renewal or replacement as aforesaid. The signature of such attorney with or without corporate seal shall be valid and binding in the same manner as if the Lessor had executed any such requisite documentation under the hand and seal of its duly authorized officer in that behalf;
- (vi) The Lessor hereby covenants and agrees to execute in favour of the Lessee, on execution of this Lease, a separate power of attorney for the purposes and in the manner described herein.
- 21. The failure of the Lessor to insist upon a strict performance of any of the terms, conditions and covenants herein contained shall not be deemed a waiver of any rights or remedies that the Lessor may have, and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained. It is expressly agreed that the rights and remedies of the Lessor hereunder, or otherwise available to it at law, may be exercised and enforced either concurrently or successively.
- 22. The Lessee waives and renounces (so far as it may be permitted to do so by applicable legislation) the benefit of any present or future act or statute in force in the province in which the premises are situate, which takes away or limits the landlord's right to distress, and the Lessee agrees with the Lessor that (to the extent mentioned aforesaid), notwithstanding any such act or statute, the Lessor may seize and sell the Lessee's goods and chattels for payment of rent and additional rent and costs as fully as the Lessor might have done if such act or statute had not been enacted or passed.
- 23. It is agreed that the Lessor may, at any time within the period of six (6) months before the expiration or sooner determination of the said term or any renewal thereof, enter upon the premises and affix thereto in some prominent location which will not interfere with the business of the Lessee a notice or sign to the effect that the premises are for sale or available for leasing, and the Lessee agrees not to remove the

said notice or sign or permit the same to be removed unless requested to do so by the Lessor.

- 24. It is expressly agreed that this Indenture shall be deemed to have been made and executed in the Province of Ontario, and shall be read, construed and interpreted in accordance with the laws of such Province.
- 25. This indenture shall extend to, enure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns, and where applicable, to the sublessees of the premises.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporate seals under the hands of their respective proper officers duly authorized in that behalf.

526010 ONTARIO INC.

Per:

526011 ONTARIO INC.

/

KILDERKIN INVESTMENTS LTD.

Per:

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00' 00" East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16⁰ 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16⁰ 24' 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73^o 55° 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.



Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties - The Towne -- Participation Agreement between Seaway Trust, Kilderkin and 526010 and 526011 Ontario Inc.



THIS AGREEMENT made as of the 5th day of November, 1982.

BETWEEN:

SEAWAY TRUST COMPANY,
(hereinafter called "Seaway")

OF THE FIRST PART,

- and -

KILDERKIN INVESTMENTS LTD., (hereinafter called "Kilderkin")

OF THE SECOND PART,

- and -

526010 ONTARIO INC. 526011 ONTARIO INC. each as to an undivided one half interest.

(hereinafter called "Owner")

OF THE THIRD PART.

WHEREAS the parties hereto are entering into this agreement (the "Participation Agreement") contemporaneously with the entering into of an agreement of purchase and sale dated November 4, 1982 between Kilderkin as Vendor and the Owner as Purchaser (the "Purchase Agreement");

In consideration of the premises, the covenants and agreements and acknowledgements herein, the sum of Five Dollars (\$5.00) now paid by each party to the other and for other good and valuable consideration (the receipt and sufficiency of which each party acknowledges), the parties hereto covenant, agree and acknowledge as follows:

- 1. Kilderkin and the Owner acknowledge to each other and inform Seaway that Kilderkin and the Owner have entered into the Purchase Agreement pursuant to which the Owner is to purchase from Kilderkin the property known as Bay Charles more particularly described in Schedule "A" hereto (the "Property").
- 2. Kilderkin and the Owner further acknowledge to each other and inform Seaway that it is a condition of the Owner entering into the Purchase Agreement that Kilderkin arrange purchase financing to the extent of 75% of the purchase price of the Property.
- 3. The parties hereto acknowledge that Kilderkin has arranged such purchase financing which arrangement includes a commitment fee in favour of Seaway of an undivided 12-1/2% beneficial ownership in the Property (the "Interest").
- 4. Kilderkin and the Owner acknowledge to each other and inform Seaway that, pursuant to the Purchase Agreement, the Owner was to pay Kilderkin the balance of the purchase price for the Property by payment of cash, however, Kilderkin and the Owner acknowledge to each other and inform Seaway that the Owner is to pay to Kilderkin the balance of the purchase price for the Property by the payment of cash and the transfer to Seaway of the Interest, where the Interest is, for purposes of

calculating that portion of the balance of the purchase price payable in cash, equivalent to 12-1/2% of the said balance of the purchase price.

- 5. Kilderkin acknowledges that it has received the full purchase price for the Property by receipt of the aforesaid cash and the transfer by the Owner to Seaway of the Interest, given the condition of the Owner entering into the Purchase Agreement that Kilderkin is to arrange the purchase financing. Seaway acknowledges the transfer to it of the Interest in satisfaction of the commitment fee.
- The parties agree that it is not intended that a 6. . merger of Seaway's title interests in the property occur and that there is to be no merger pursuant to the Owner having granted a mortgage in favour of Seaway and Seaway acquiring the Interest in satisfaction of its commitment fee. The parties further acknowledge that a deed has not been executed and delivered in favour of Seaway with respect to the Interest and the Owner agrees to execute and deliver such a deed upon the request of Seaway. At such time, Seaway agrees to execute and to deliver to the Owner a specific power of attorney in registrable form authorizing the Owner to execute any and all documents necessary for a transfer and/or conveyance of the Property including the Interest, as provided for in paragraph 10 hereof. The Owner agrees to hold the Interest as a bare trustee on behalf of and for the account of and benefit of and subject at all times to the direction and control of Seaway provided, however, that Seaway acknowledges that its interest is subject to the Lease as hereinafter defined. The parties further agree that Seaway has no obligations whatsoever with respect to any lien, charge or encumbrance of any nature whatsoever affecting the Property and the Owner agrees that it

shall have no recourse by any means whatsoever against or to Seaway in connection with any such obligations and for which the Owner and the Owner alone is liable and in respect of which the Property but not Seaway may be subject. The Owner hereby agrees to indemnify, hold and save harmless Seaway with respect to any such obligations.

- 7. The parties agree that the Owner and/or Kilderkin shall not mortgage, charge or encumber the Property in excess of the aggregate amount of mortgage loans outstanding in respect of the Property at the date hereof, without the prior written consent of Seaway.
- 8. The parties hereto agree that Seaway shall receive payments ("Participation Payments") from Kilderkin, annually upon the anniversary of the commencement of the term of the lease agreement with respect to the Property between the Owner and Kilderkin made the 5th day of November, 1982 (the "Lease") in an amount equal to 12-1/2% of the rental provided for under the terms of the Lease. The Owner hereby authorizes and irrevocably directs Kilderkin to make the Participation Payments to Seaway and Kilderkin hereby acknowledges such direction. Receipt by Seaway of Participation Payments shall constitute receipt at the same time of the same amount by the Owner under the Lease.
- 9: Upon expiration or termination of the Lease for any reason whatsoever, the Property shall be managed and controlle by the Owner or by such other party as the Owner may designate. Seaway shall not claim a right to manage the Property based upon its ownership interest but gives the right to the Owner, it being understood the Owner will control the selection of a manager but has no capacity to and agrees not t itself manage the Property.

- The parties agree that, subject to the terms of the Lease, the Owner shall have complete discretion to determine when and on what terms and conditions it may bona fide sell or dispose of the Property including the Interest, in which event Seaway shall be entitled to its 12-1/2% interest in the proceeds from the sale or disposition of the Property subject to all applicable liens, charges, encumbrances, commissions, expenses, etc. in respect of the Property or in connection with the sale or disposition thereof. It is understood and agreed that the Owner may only sell or dispose of all and not less than all of the Property including the Interest.

 Notwithstanding such liens, charges, encumbrances, commissions, expenses, etc., the Owner confirms its indemnity of Seaway as contained in paragraph 6 above.
- 11. Upon the expiration or termination of the Lease for any reason whatsoever, and if the Property has not been sold or disposed of, Seaway shall be entitled to a 12-1/2% share of Net Income derived from the Property payable annually within sixty (60) days of the anniversary of the commencement of the Lease. "Net Income" means:

Gross revenue realized from the use, operation and management of the Property, less expenses, which expenses include, without limitation, debt service and other sums payable pursuant to the mortgages but exclusive of any allowance for depreciation, capital cost allowance or other expenditures of a personal nature to the Owner to be determined in accordance with generally accepted accounting principles consistently applied.

A statement certified by the Owner's accountants for the purposes of calculating 452

Net Income shall be prepared by their accountants meaning a firm of Canadian Chartered Accountants, as Seaway may approve in writing (which approval will not be unreasonably withheld), and shall accompany the payment. The statement shall set forth in reasonable detail the gross revenue during the period and the expenses deducted in determining the Net Income as so reported.

Seaway, or its duly authorized agent, shall be permitted at its own expense to examine, inspect and conduct its own audit of the records of the Owner as pertaining directly to the Property and in the event of the disclosure of a payment deficiency amounting to more than 1% of its share of Net Income as reported and paid, the appropriate adjustment by way of additional payment shall be made by the Owner together with the costs of the audit failing agreement on which, the matter shall be referred to arbitration under The Arbitration Act, R.S.O. 1980.

12. So long as Seaway holds a mortgage on the Property, it shall not be obliged to provide a discharge thereof until the payments to which it is entitled under such mortgage and hereunder have been paid in full and until appropriate documentation has been provided for registration on title of Seaway's Interest. Any non-payment of Seaway's Participation Payments or Seaway's share of Net Income hereunder shall constitute default under any such mortgage held by Seaway.

- 13. Change of control of the Owner shall constitute a sale or disposition for the purposes of this agreement.

 "Control" shall be as defined in the Business Corporations Act (Ontario). The Owner shall provide an affidavit as to whether control has changed, as requested from time to time by Seaway, and if control has changed, then the Owner shall purchase or cause to be purchased the Interest at an amount Seaway would have received if the Property including the Interest had been sold or disposed of as provided for in paragraph 10 above.
- 14. This Participation Agreement shall be construed and enforced in accordance with the laws of Ontario.
- 15. The parties agree there are no covenants, representations, warranties, collateral agreements or conditions affecting this Participation Agreement other than as expressed in writing in this Participation Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporate seal under the hands of their duly authorized officers.

SERVAL TRUST COMPANY

Per/

KILDERKIN INVESTMENTS LTD.

Per:

526010 ONTARIO INC.

Dar.

526011 ONTARIO INC.

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ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00' 00" East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00' 00" East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16^o 23':00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16° 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73^o 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16 24 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and. 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

THENCE South 73° 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.

Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Different version of same Participation Agreement as referred to in (F)(i)



THIS AGREEMENT made as of the 5th day of November,

BETWEEN:

SEAWAY TRUST COMPANY,

(hereinafter called "Seaway")

OF THE FIRST PART,

- and -

KILDERKIN INVESTMENTS LTD.,

(hereinafter called "Kilderkin")

OF THE SECOND PART,

- and -

526010 ONTARIO INC., 526011 ONTARIO INC., each as to an undivided one-half interest,

(hereinafter called "Owner")

OF THE THIRD PART.

WHEREAS the parties hereto are entering in this agreement (the "Participation Agreement") contemporaneously with the entering into of an agreement of purchase and sale dated November 4, 1982 between Kilderkin as Vendor and the Owner as Purchaser (the "Purchase Agreement");

In consideration of the premises, the covenants and agreements and acknowledgements herein, the sum of Five Dollars (\$5.00) now paid by each party to the other and for other good and valuable consideration (the receipt and sufficiency of which each party acknowledges), the parties hereto covenant, agree and acknowledge as follows:

- 1. Kilderkin and the Owner acknowledge to each other and inform Seaway that Kilderkin and the Owner have entered into the Purchase Agreement pursuant to which the Owner is to purchase from Kilderkin the property known as The Towne more particularly described in Schedule "A" hereto (the "Property").
- 2. Kilderkin and the Owner further acknowledge to each other and inform Seaway that it is a condition of the Owner entering into the Purchase Agreement that Kilderkin arrange purchase financing to the extent of 75% of the purchase price of the Property.
- 3. The parties hereto acknowledge that Kilderkin has arranged such purchase financing which arrangement includes a commitment fee in favour of Seaway of an undivided 12-1/2% beneficial ownership in the Property (the "Interest").
- 4. Kilderkin and the Owner acknowledge to each other and inform Seaway that, pursuant to the Purchase Agreement, the Owner was to pay Kilderkin the balance of the purchase price for the Property by payment of cash, however, Kilderkin and the Owner acknowledge to each other and inform Seaway that the Owner is to pay to Kilderkin the balance of the purchase price for the Property by the payment of cash and the transfer to Seaway of the Interest, where the Interest is, for purposes of

calculating that portion of the balance of the purchase price payable in cash, equivalent to 12-1/2% of the said balance of the purchase price.

- 5. Kilderkin acknowledges that it has received the full purchase price for the Property by receipt of the aforesaid cash and the transfer by the Owner to Seaway of the Interest, given the condition of the Owner entering into the Purchase Agreement that Kilderkin is to arrange the purchase financing. Seaway acknowledges the transfer to it of the Interest in satisfaction of the commitment fee.
- 6. The parties agree that it is not intended that a merger of Seaway's title interests in the property occur and that there is to be no merger pursuant to the Owner having granted a mortgage in favour of Seaway and Seaway acquiring the interest in satisfaction its commitment fee. The parties further acknowledge that a deed has not been executed and delivered in favour of Seaway with respect to the Interest and the Owner agrees to execute and deliver such a deed upon the request of Seaway. At such time, Seaway agrees to execute and to deliver to the Owner a specific power of attorney in registrable form authorizing the Owner to execute any and all documents necessary for a transfer and/or conveyance of the Property including the Interest, as provided for in paragraph 10 hereof. The Owner agrees to hold the Interest as a bare trustee on behalf of and for the account of and benefit of and subject at all times to the direction and control of Seaway provided, however, that Seaway acknowledges that its interest is subject to the Lease as hereinafter defined. The parties further agree that Seaway has no obligations whatsoever with respect to any lien, charge or encumbrance of any nature whatsoever affecting the Property and the Owner agrees that it

shall have no recourse by any means whatsoever against or to Seaway in connection with any such obligations for which the Owner and the Owner alone is liable and in respect of which the Property but not Seaway may be subject. The Owner hereby agrees to indemnify, hold and save harmless Seaway with respect to any such obligations.

- 7. The parties agree that the Owner and/or Kilderkin shall not mortgage, charge or encumber the Property in excess of the aggregate amount of mortgage loans outstanding in respect of the Property at the date hereof, without the prior written consent of Seaway.
- 8. The parties hereto agree that Seaway shall receive payments ("Participation Payments") from Kilderkin, annually upon the anniversary of the commencement of the term of the lease agreement with respect to the Property between the Owner and Kilderkin made the 5th day of November, 1982 (the "Lease") in an amount equal to 12-1/2% of the rental provided for under the terms of the Lease. The Owner hereby authorizes and irrevocably directs Kilderkin to make the Participation Payments to Seaway and Kilderkin hereby acknowledges such direction. Receipt by Seaway of Participation Payments shall constitute receipt at the same time of the same amount by the Owner under the Lease.
- 9. Upon expiration or termination of the Lease for any reason whatsoever, the Property shall be managed and controlled by the Owner or by such other party as the Owner may designate.
- 10. The parties agree that, subject to the terms of the Lease, the Owner shall have complete discretion to determine when and on what terms and conditions it may bona fide sell or

dispose of the Property including the Interest, in which event Seaway shall be entitled to its 12-1/2% interest in the proceeds from the sale or disposition of the Property subject to all applicable liens, charges, encumbrances, commissions, expenses, etc. in respect of the Property or in connection with the sale or disposition thereof. It is understood and agreed that the Owner may only sell or dispose of all and not less than all of the Property including the Interest.

Notwithstanding such liens, charges, encumbrances, commissions, expenses, etc., the Owner confirms its indemnity of Seaway as contained in paragraph 6 above.

11. Upon the expiration of the Lease for any reason whatsoever, and if the Property has not been sold or disposed of, Seaway shall be entitled to a 12-1/2% share of Net Income derived from the Property payable annually within sixty (60) days of the anniversary of the commencement of the Lease. "Net Income" means:

Gross revenue realized from the use, operation and management of the Property, less expenses, which expenses include, without limitation, debt service and other sums payable pursuant to the mortgages but exclusive of any allowance for depreciation, capital cost allowance or other expenditures of a personal nature to the Owner to be determined in accordance with generally accepted accounting principles consistently applied.

A statement certified by the Owner's accountants for the purposes of calculating Net Income shall be prepared by their

accountants meaning a firm of Canadian Chartered Accountants, as Seaway may approve in writing (which approval will not be unreasonably withheld), and shall accompany the payment. The statement shall set forth in reasonable detail the gross revenue during the period and the expenses deducted in determining the Net Income as so reported.

Seaway, or its duly authorized agent, shall be permitted at its own expense to examine, inspect and conduct its own audit of the records of the Owner as pertaining directly to the Property and in the event of the disclosure of a payment deficiency amounting to more than 1% of its share of Net Income as reported and paid, the appropriate adjustment by way of additional payment shall be made by the Owner failing agreement on which, the matter shall be referred to arbitration under The Arbitration Act, R.S.O. 1980.

12. So long as Seaway holds a mortgage on the Property, it shall not be obliged to provide a discharge thereof until the payments to which it is entitled under such mortgage and hereunder have been paid in full and until appropriate documentation has been provided for registration on title of Seaway's Interest. Any non-payment of Seaway's Participation Payments or Seaway's share of Net Income hereunder shall constitute default under any such mortgage held by Seaway.

- 13. Change of control of the Owner shall constitute a sale or disposition for the purposes of this agreement.

 "Control" shall be as defined in the Business Corporations Act (Ontario). The Owner shall provide an affidavit as to whether control has changed, as requested from time to time by Seaway, and if control has changed, then the Owner shall purchase or cause to be purchased the Interest at an amount Seaway would have received if the Property including the Interest had been sold or disposed of as provided for in paragraph 10 above.
 - 14. This Participation Agreement shall be construed and enforced in accordance with the laws of Ontario.
 - 15. The parties agree there are no covenants, representations, warranties, collateral agreements or conditions affecting this Participation Agreement other than as expressed in writing in this Participation Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporate seal under the hands of their duly authorized officers.

Per:

KILDERKIN INVESTMENTS LTD.

Dow.

526010 ONTARIO INC.

Per:

526011 ONTARIO INC.

Per:

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ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto, and Province of Ontario, and being composed of all of Lots 3, 4, 5, 6, 16, 17, 18, and 19 and Part of Lots 2 and 20 according to a Plan filed in the Registry Office for the Registry Division of the said City of Toronto as Number 413-E, the said parcel being more particularly described as follows:-

PREMISING that the Southern limit of St. Clair Avenue, East, has a bearing of North 74° 00' 00" East, according to said Plan 413-E, and relating all bearings herein thereto;

COMMENCING at a point in the Southern limit of St. Clair Avenue, East, being also in the Northern limit of said Plan 413-E, distant 25.17 Feet measured Westerly therein from the North-Eastern angle of said Lot 2;

THENCE North 74° 00° 00° East, along said Northern limit, 225.16 Feet, more or less, to the North Eastern angle of said Lot 6;

THENCE South 16⁰ 23' 00" East, along the Eastern limit of said Lot 6, a distance of 130.05 Feet, more or less, to the South-Eastern angle thereof, being also the North-Eastern angle of said Lot 16;

THENCE South 16° 23' 20" East, along the Eastern limit of said Lot 16, a distance of 155.39 Feet, more or less, to the South-Eastern angle thereof, being also a point in the Northern limit of Pleasant Boulevard;

THENCE South 73° 49' 40" West, along the Northern limit of Pleasant Boulevard, 219.45 Feet, more or less, to a point in the Southern limit of said Lot 20, distant 19.50 Feet measured Westerly therein from the South-Eastern angle thereof;

THENCE North 16° 24' 20" West a distance of 155.75 Feet, more or less, to a point in the limit between said Lots 2 and 20, and distant 19.50 Feet measured Westerly along the Northern limit of said Lot 20 from the North-Eastern angle thereof;

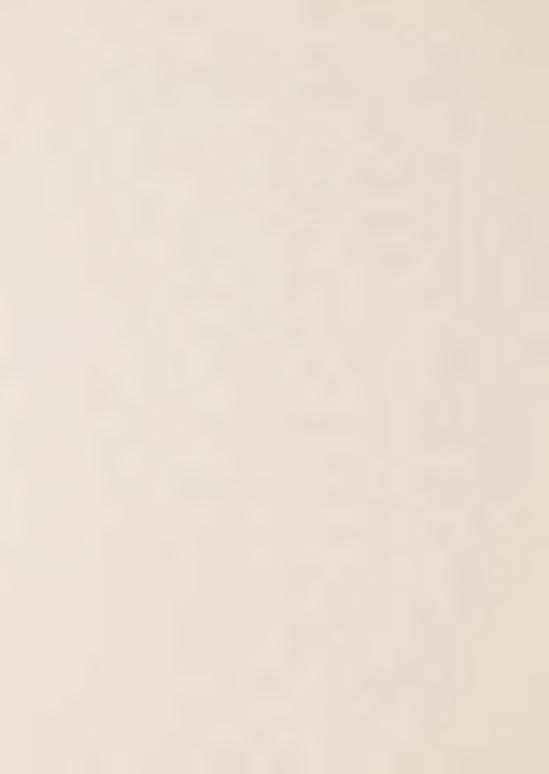
THENCE South 73° 55' 20" West, along the last described limit, 5.67 Feet to a point distant 25.17 Feet measured Westerly therein from the South-Eastern angle of said Lot 2;

THENCE North 16° 26' 20" West, 130.36 Feet, more or less, to the point of commencement.

Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Land Transfer Tax Affidavit



on Reverse Side	Form 1 -	Land Transfer Ta	x Act	FORM NO. 200
AFFIDAVIT OF RE	SIDENCE A	ND OF VALUE OF	THE CONSIDERATIO	N
IN THE MATTER OF THE CONVEYANCE OF final of Part of Lots 2 and Municipality of Metropo	sem brief description 20, Plan 21itan Tor IE CADILLA	olumn Lots 3, 413-E, in the onto C FAIRVIEW CO	4, 5, 6, 16, 17, City of Toronto, RPORATION LIMITED	18 and 19, in the
TO (see instruction 1 and print names of all transferees	in full) 5 2 6.0 1	.0ONTARIOINC	and.526011ONTA	RIO INC
I, (see instruction 2 and print name(s) in full) . PIE	RRE JACQU			
MAKE OATH AND SAY THAT:				
1 am (place a clear mark within the square opposite	inveyed in the abo	ve-described conveyance is	s being conveyed:	instruction 2)
(b) A trustee named in the above-describ (c) A transferee named in the above-describ	ed conveyance to	whom the land is being cor	weyed;	
(d) The authorized agent or solicitor action	ng in this transacti	on for (insert name(s) of princi		
	escribed in paragr	aph(s) (a), (b),	(c) above; (strike out references	to inspolicable paragraph
(e) The President NACE POSSESS Messa 526.010. Ontario	TDC and	CDCX 0CSDs280csc authorize	d to act for (insert name/s) of comore	(approxi)
de	scribed in paragra	iph(s) (A)X (B)X	(C) above; (strike out references	to inapplicable paragraph.
(f) A transferee described in paragraph (behalf and on behalf of (insert name of) (insert only spouse)	one of paragraph (a), (b) or (c) a	bove, as applicable) and am making	this affidavit on my ow
who is my spouse described in parag and as such, I have personal knowledge of th	raph (). (ins	ert only one of paragraph (a), (b,	or (c) above, as applicable)	
2. I have read and considered the definition:			resident person" set out respec	tively in clauses 1 (1)
and (g) of the Act. (see Instruction 3). 3. The following persons to whom or in trust	for whom the land	conveyed in the above-de	escribed conveyance is being co	Oveved are non-resider
persons within the meaning of the Act. (see in	struction 4)	526010 Onta	rio Inc. and 5260	Oll Ontario
THE TOTAL CONSIDERATION FOR THIS TI (a) Monies paid or to be paid in cash			s: s.5,.028,510.50)
(b) Mortgages (i) Assumed (show principal and	interest to be credite	d against purchase price) .	\$15,141,031.50	
(ii) Given back to vendor (c) Property transferred in exchange (detail bit			snil s.nil	
(d) Securities transferred to the value of (deta			s. <u>n.i.l</u>	ALL I
(e) Liens, legacies, annuities and maintenan (f) Other valuable consideration subject to I		ch transfer is subject	s nil	M), FIL.
(g) VALUE OF LAND, BUILDING, FIXTURES	AND GOODWILL			MISE.
LAND TRANSFER TAX (TOTAL OF (a) I			\$ 20,169,542 \$ 20,	,169,542 W
(h) VALUE OF ALL CHATTELS – items of ta (Retail Sales Tax is payable on the value of all chail the provisions of the "Retail Sales Tax Act", R.S.O.	leis uniess esempl und 1980, c.454, as amende	er Ø]		18,500
(i) Other consideration for transaction not it				nil
(j) TOTAL CONSIDERATION				, 188, 042)
1980, C.231 as amended and consequently attract.	, and as e	l(l)(o) of The evidenced by the provided for	he certificate a r in Section 2(1	ffixed heret (b) of the
SWORN before me at the City of in the Municipality of Me	Toronto.	an Toronto }	\wedge 00	
this 3rd day of	Novembe	er, ₁₉ 82)		
A Commissioner for taking Affidavits, etc.		••	Pierre Jacqu	
		TY INFORMATION RECO	RD	
A. Describe nature of instrument:	ignment o	f Leasehold Ir available	iterest	
		able		
C Mailing address/es) for future Notices of As	sessment under t	he Assessment Act for pro	perty being conveyed (see instruct	xon 63
Kilderkin Investment 165 Dundas Street We				5B. 2N6
D. (i) Registration number for last conveyance (ii) Legal description of property conveyed:				
F Name(s) and address(es) of each transfere	e's solicitor		For Land Registry Office use only	у
Kitamura Yates Margoli & Champagne		REGISTRATION NO.		
11 King Street West, S Toronto, Ontario M5H 1	te1702	Land Registry Office No.		
		Registration Date		



Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Leonard Walton analysis



BULLIDING HE TOWNE,	E.	TOTAL SALE 20, 188, 042
ADDRESS 77 ST CLAIRE. E.	ΣΙ	MORTGAGE 15, 141, 03/
# UNITS 184 UNITS +73,167 SØ FT (OM.	ΣΙ	MORTGAGE AS \$ 7.5%.
DESCRIPTION HIGHRISE + (OM.		
WERD LEASE		NCTUALS
	INCOME	2,226,240
NET AT PRINCIPAL.	DEBT SERVICE	(766,012.)
MORTGAGING	INT. RATE	TERM
FIRST		
SECOND		
WRAP 15,141,031	1290	5/25.
TOTAL		
NOTES 73,167 SQ FT COMMENCIAL	46.	
LAND LEASE.		

EXPENSES .

TAXES	462,347		
REPAIRS	245, 384	(INCLUDES	MAINTENANCE)
REC CENTRE		(IF APPLI	CABLE)
UȚILITIES	200, 867		
INSURANCE ADMIN LAND RENT	63,375° 34,088		
MGMT	111, 312		
TOTAL	1,117,373		

	•		•
UNIT MIX			CURRENT RENTS AVERAG
BATCH	29	·	324
1 BED	69		421
2 BED	66		554
3 BED	3_		895
4 BED			
P. H.	17		898.
PARKING			
INDOOR			
OUTDOOR			
UNDER- GROUND	152		

Example of documentation in the Cadillac Fairview transaction taken from 1 of 26 properties -The Towne -- Acknowledgment and Direction re payment of full consideration



ACCONOWLEDGMENT AND DIRECTION

TO: Xitamura Yates Margolis Mastin and Champagne, our solicitors herein

REF 526010 Ontario Inc. and 526011 Ontario Inc.

purchase from Kilderkin Investments Ltd.;
The Towne, Toronto, Ontario

WE, THE UNDERSIGNED, hereby acknowledge that the full consideration as called for in the Agreement of Purchase and Sale dated November 4, 1982 for the above-mentioned transaction was paid.

WE THEREFORE AUTHORIZE AND DIRECT you to close the above-mentioned transaction on November 5, 1982 in accordance with the terms of the said Agreement of Purchase and Sale. We further authorize and direct you to act as our counsel and to take whatever steps and proceedings may become necessary after the closing of the above-mentioned transaction with respect to a review of same by the Foreign Investment Review Agency and/or any other governmental authority or agency.

DATED at Toronto this 5th day of November, 1982.

526010 Ontario Inc.

526011 Ontario Inc.

Dar.



Memorandum of Robert McDowell dated October 1, 1982



MEMORANDUM

TO:

ROGER WILSON

DATE: October 1, 1982

ALEC GIVENS
BILL BIES
DOUG NEW
DAVID WHEAT

FROM:

Robert McDowell

FILE NO. 82658/823

CLIENT:

SEAWAY TRUST COMPANY

RE:

Multilingual Television (Toronto) Limited ("MTV")

I am not adding a chart of parties because I do not know certain relationships or parties at this time.

GTC has a right to buy 39 parcels of land in and about Metropolitan Toronto on which are located 55 buildings for \$290,000,000. The purchase price is to be made of of \$120,000,000 in first mortgages on the various properties which bear interest at the rates of 6%, 7% and 8%, \$110,000,000 in mortgages taken back by the Vendor at the interest rate of prime plus 1%, and \$60,000,000 cash. The agreement is assignable and GTC will assign it to S, in trust, which will pay \$325,000,000 to GTC. P and 4 will buy it from S, in trust, for \$500,000,000. P and 4 or GTC, I do not know which, is having three appraisals done on all the properties, i.e. each appraisal is of all the properties. The appraisals are coming in at \$500,000,000. P and 4 intend to mortgage the properties to the extent of 75% of their value, namely \$375,000,000. I believe, but I do not know, that P will purchase half of the properties and mortgage to the 3/4 value with mortgage funds obtained from S and 4 will purchase the other half of the properties and mortgage to the 3/4 value with funds obtained from GMC. The closing of the \$290,000,000 transaction is to be on November 16 but there are a number of reasons why the parties

want it earlier. This also means that the \$325,000,000 purchase and the \$500,000,000 purchase and the mortgage financings referred to above are to be closed on the same date. S and GMC are to lend \$72,500,000 discounted to \$60,000,000 each, which aggregates \$120,000,000. This, added to the \$230,000,000 financing of the first and second mortgages referred to above, aggregates \$375,000,000. The cash from these mortgage financings is partly used by P and 4 to pay GTC, on direction from S, in trust, the cash needed in excess of the \$230,000,000 to purchase the properties from GTC. Also, there will be \$5,000,000 costs incurred in land transfer tax on the aggregate amount of \$500,000,000. I do not know what P and 4 do with the rest of the money nor what P and 4 pay for the remaining \$125,000,000, but it is probably some form of paper.

It may be that P and 4 do not retain as principal the ownership of all properties purchased. Some of the purchasers, I presume of individual properties, may be non-eligible.

From an information point of view, I understand that the properties carry themselves without any increase in rent, including the additional financings. Further increases in rent or the cessation of rent control will only make the worth of these properties increase. The properties currently generate \$65,000,000 to \$70,000,000 in rent. Also, there is strong belief that the properties can be more efficiently managed.

A large bank in New York City is on standby to provide a \$125,000,000 letter of credit. I am not sure of its specific purpose but I believe it is to assist P and 4 in the purchase of the properties.

It may be that the purchasers will not only continue to have the properties managed but will also be provided with

rental guarantees by the property manager. This may be desirable for the two principal purchasers and/or other purchasers as well.

I should mention that the purchase price averages \$46,000 a unit.

Purchase of GMC

GMC is a federally-regulated loan company with \$18,000,000 in capital and \$225,000,000 in total assets. It will be purchased by P from the present owners for \$25,000,000. An important question to be decided in connection with this transaction is whether the 30 days' notice to the Superintendent of Insurance of the transfer of the shares, in order that they may be registered on the books of the Company, should be given 30 days prior to closing or upon closing. If it is to be the latter, then there would have to be an agreement whereby the shares were not only beneficially owned but any directions regarding dividends, etc. would have to be to the beneficial but not registered owner during that 30 day period of time.

Purchase of 10% of Shares of Canadian Bank

S will purchase 10% of the shares of a Canadian bank from GMC. I do not know if these will be purchased on a private placement basis or in the market.

Purchase of Management Company

I believe it would be for additional consideration that P and 4 and perhaps others would purchase an equity interest in the management company which is presently managing the proper-

ties being purchased. The management company has 525 full-time employees. There are 11,000 leases. They would have to be reviewed on some basis. If the management company is purchased, it could cause financial statement consolidation problems for S from a numbers digestion point of view. It may be that plans will have to be made to let go a number of employees or to enter into contractual arrangements with them instead of employment.

The real estate work, including the incorporation of 39 companies to purchase the 39 parcels of land, is being done by Kitamura, Yates, Margolis, Mastin & Champagne. The tax, corporate, securities and FIRA work is to be done by this firm. MacGillivray & Co., auditors for S and 4, are also working on the tax. There will have to be very clear communications between the three firms.

I would like to know what the tax issues are. I would like to know what the FIRA exemption is applicable to real estate. The corporate questions include permitted investments and mort-gages under the Loan Companies Act (Canada) and the Loan and Trust Corporations Act (Ontario). They also include whether there is any applicable restriction in the boan agreement recently entered into by 4. A reporting issuer may be involved in which case there is the question of timely public disclosure.

This is all that I know at this time. This memorandum is based on one short meeting with the client. There is to be a meeting between principals in a couple of days. We shall receive further information and instructions at the beginning of next week. I would very much like to know the basic tax and FIRA considerations for Monday, October 4 because there is a meeting with the client at 8:30 a.m. Tuesday, October 5. I will

work with David wheat and Roger Wilson on corporate and regulatory aspects. There is likely to be a lot of press about this transaction.



Syndication or Servicing Agreement between Greymac Trust and Seaway Trust re Parkway Forest property



THIS AGREEMENT made as of the 5th day of November, 1982,

BETWEEN:

GREYMAC TRUST COMPANY

(hereinafter called "Greymac"),

OF THE FIRST PART

- and -

SEAWAY TRUST COMPANY,

(hereinafter called "Seaway"),

OF THE SECOND PART,

WHEREAS 526001 Ontario Inc., 526002, Ontario Inc., 526003 Ontario Inc., 526003 Ontario Inc., 526004 Ontario Inc., 526005 Ontario Inc. and 526006 Ontario Inc. (hereinafter called the "Mortgagor") has mortgaged by mortgage dated November 5, 1982, (hereinafter called the "Mortgage") the apartment property known as Parkway Forest and described in Schedule "A" (hereinafter called the "Property") to Greymac and Seaway, as mortgagees registered in the aggregate amount of \$60,540,900.00.

AND WHEREAS the parties have between them advanced the total "Net sum" set forth in the Mortgage;

AND WHEREAS the parties wish to set forth their respective participation and the manner of administration of the Mortgage;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

- 1. The recitals are incorporated and form a part of this Agreement.
- 2. The principal of the Mortgage represents the aggregate of prior mortgages as disclosed therein and the actual net sum advanced by the parties in the amount of \$23,909,156.32 with the share of each as follows:

GREYMAC \$17,909,156.32 SEAWAY \$ 6,000.000.00

- 3. The Mortgagor or whomsoever is managing or controlling the Property and responsible for mortgage payments is hereby directed to make the total monthly interest payments on the net sum, allocated to the parties in the ratio of the figures set forth in paragraph 2 and to remit to Greymac the amount of payments accruing due to the prior mortgagees unless otherwise agreed and instructed.
- 4. It is the intention of each of the parties that their investment in the mortgage loan shall be for the term of the mortgage.
- 5. It is acknowledged that the majority interest in the Mortgage is held by Greymac and as such in the event of default of payment to either mortgagee or any other act of default, or breach committed under the Mortgage, Greymac shall be the administrator of the loan and shall act in good faith and following notice to Seaway be entitled on behalf of both parties to elect whatever remedy as may be necessary to protect the mortgagees' positions.
- 6. In the event of one party receiving funds in excess of its proportionate share hereunder, each covenants with the other to remit the excess to the other entitled thereto.

- 7. Each party shall notify the other whenever any payment due under the said mortgage is fifteen (15) days overdue or in the event of any default under the Mortgage which may come to its attention.
- 8. The share of Greymac and Seaway in monies owing pursuant to the Mortgage and in the security shall rank pari-passu.
- 9. The administration of the Mortgage shall be carried out by Greymac in accordance with normal mortgage practice and shall include:
 - (a) supervision of municipal taxes on the Property pursuant to the terms of the Mortgage;
 - (b) the giving of notice to the Mortgagor in respect of amounts due or overdue, as may be required;
 - (c) the taking of steps necessary for the exercise of any remedy available to the mortgagee in the event of default occurring under the mortgage;
 - (d) remitting all payments received from the Mortgagor or on account of prior mortgages to the prior mortgagees.
- 10. Greymac shall not be responsible for any misconduct on the part of any legal counsel, valuator or other expert retained by it, or be bound to supervise the proceedings of any such appointee provided that it shall use reasonable care in the selection of such person or firm, it being understood that Seaway may take appropriate action against the above, save

Greymac, in the event Seaway Becomes apprised of any misconduct in the performance of the duties aforesaid.

- 10. Reasonable legal costs and expenses which Greymac shall have incurred in instituting and conducting proceedings related to the enforcing of the security under the said mortgage loan and/or in taking possession of the lands and premises shall as required be borne by the parties pro rata to their respective interests in the principal amount of the net sum.
- 12. It is agreed that no partnership shall be created by virtue of this Agreement and that the covenants of the parties are several and not joint.
- 13. This Agreement shall at all times extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
- 14. Any notice or other communication required or permitted to be given herein by either parties shall be sufficiently given if in writing and delivery personally or by first class registered mail, postage prepaid, addressed as follows:

GREYMAC TRUST COMPANY 49 Yonge Street Toronto, Ontario

or

SEAWAY TRUST COMPANY 2255 Sheppard Avenue East Willowdale, Ontario M2J 4Y1 or such other addresses as may be given by either of them in writing from time to time, and such notice or other communication shall be deemed to have been received when delivered, or if mailed, four (4) days after mailing, excluding Saturdays, Sundays and legal holidays.

- 15. This Agreement shall terminate when:
 - (a) all amounts owing under the Mortgage have been paid in full; or
 - (b) when the loan and Mortgage are beneficially held by one party.
- 16. This Agreement shall be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have affixed their hands and corporate seals.

GREYMAC TRUST COMPANY

Per:

Per:

SEAWAY TRUST COMPANY

Per:



Syndication or Servicing Agreement between Greymac Trust and Crown Trust re Parkway Forest property



THIS AGREEMENT made as of the 5th day of November, 1982,

BETWEEN:

GREYMAC TRUST COMPANY

(hereinafter called "Greymac"),

OF THE FIRST PART

- and -

CROWN TRUST COMPANY,

(hereinafter called "CROWN "),

OF THE SECOND PART,

WHEREAS 526001 Ontario Inc., 526002, Ontario Inc., 526003 Ontario Inc., 526003 Ontario Inc., 526004 Ontario Inc., 526005 Ontario Inc. and 526006 Ontario Inc. (hereinafter called the "Mortgagor") has mortgaged by mortgage dated November 5, 1982, (hereinafter called the "Mortgage") the apartment property known as Parkway Forest and described in Schedule "A" (hereinafter called the "Property") to Greymac and Crown, as mortgagees registered in the aggregate amount of \$60,540,900.00.

AND WHEREAS the parties have between them advanced the total "Net sum" set forth in the Mortgage;

AND WHEREAS the parties wish to set forth their respective participation and the manner of administration of the Mortgage;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

- 1. The recitals are incorporated and form a part of this Agreement.
- 2. The principal of the Mortgage represents the aggregate of prior mortgages as disclosed therein and the actual net sum advanced by the parties in the amount of \$23,909,156.32 with the share of each as follows:

GREYMAC \$ 8,400,000.00 CROWN \$15,509,156.32

- 3. The Mortgagor or whomsoever is managing or controlling the Property and responsible for mortgage payments is hereby directed to make the total monthly interest payments on the net sum, allocated to the parties in the ratio of the figures set forth in paragraph 2 and to remit to Greymac the amount of payments accruing due to the prior mortgagees unless otherwise agreed and instructed.
- 4. It is the intention of each of the parties that their investment in the mortgage loan shall be for the term of the mortgage.
- 5. It is acknowledged that the majority interest in the Mortgage is held by Greymac and as such in the event of default of payment to either mortgagee or any other act of default, or breach committed under the Mortgage, Greymac shall be the administrator of the loan and shall act in good faith and following notice to Crown be entitled on behalf of both parties to elect whatever remedy as may be necessary to protect the mortgagees' positions.
- 6. In the event of one party receiving funds in excess of its proportionate share hereunder, each covenants with the other to remit the excess to the other entitled thereto.

- 7. Each party shall notify the other whenever any payment due under the said mortgage is fifteen (15) days overdue or in the event of any default under the Mortgage which may come to its attention.
- 8. The share of Greymac and Crown in monies owing pursuant to the Mortgage and in the security shall rank pari-passu.
- 9. The administration of the Mortgage shall be carried out by Greymac in accordance with normal mortgage practice and shall include:
 - (a) supervision of municipal taxes on theProperty pursuant to the terms of the Mortgage;
 - (b) the giving of notice to the Mortgagor in respect of amounts due or overdue, as may be required;
 - (c) the taking of steps necessary for the exercise of any remedy available to the mortgagee in the event of default occurring under the mortgage;
 - (d) remitting all payments received from the Mortgagor or on account of prior mortgages to the prior mortgagees.
- 10. Greymac shall not be responsible for any misconduct on the part of any legal counsel, valuator or other expert retained by it, or be bound to supervise the proceedings of any such appointee provided that it shall use reasonable care in the selection of such person or firm, it being understood that Crown may take appropriate action against the above, save

Greymac, in the event Crown Becomes apprised of any misconduct in the performance of the duties aforesaid.

- 10. Reasonable legal costs and expenses which Greymac shall have incurred in instituting and conducting proceedings related to the enforcing of the security under the said mortgage loan and/or in taking possession of the lands and premises shall as required be borne by the parties pro rata to their respective interests in the principal amount of the net sum.
- 12. It is agreed that no partnership shall be created by virtue of this Agreement and that the covenants of the parties are several and not joint.
- 13. This Agreement shall at all times extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
- 14. Any notice or other communication required or permitted to be given herein by either parties shall be sufficiently given if in writing and delivery personally or by first class registered mail, postage prepaid, addressed as follows:

GREYMAC TRUST COMPANY
49 Yonge Street
Toronto, Ontario

or

CROWN TRUST COMPANY 49 Yonge Street Toronto, Ontario. or such other addresses as may be given by either of them in writing from time to time, and such notice or other communication shall be deemed to have been received when delivered, or if mailed, four (4) days after mailing, excluding Saturdays, Sundays and legal holidays.

15. This Agreement shall terminate when:

- (a) all amounts owing under the Mortgage have been paid in full; or
- (b) when the loan and Mortgage are beneficially held by one party.
- 16. This Agreement shall be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have affixed their hands and corporate seals.

GREYMAC TRUST COMPANY

			Per:	
			PER:	
ROWN	TRUST	COMPANY		
			PER:	
			PER:	

1:



Mortgage Amending Agreement between Greymac Trust, various numbered companies and Kilderkin re Parkway Forest Property



THIS AGREEMENT made as of the 5th day of November, 1982.

BETWEEN:

GREYMAC TRUST COMPANY,

(hereinafter called "Greymac")

OF THE FIRST PART:

- and -

526001 ONTARIO INC., 526002 ONTARIO INC., 526003 ONTARIO INC., 526004 ONTARIO INC., 526005 ONTARIO INC., 526006 ONTARIO INC.,

(hereinafter called the "Mortgagor")

OF THE SECOND PART;

- and -

KILDERKIN INVESTMENTS LTD.,

(hereinafter called the "Wrap Mortgagee")

OF THE THIRD PART.

WHEREAS by a Wraparound mortgage (Mortgage) dated November 5, 1982 and registered as No. 76 51248, the Mortgagor mortgaged to Greymac and Seaway Trust Company as mortgagees upon the terms therein mentioned, the property owned by the Mortgagor known as Parkway Forest and more particularly described on Schedule "A" hereto;

AND WHEREAS the Wrap Mortgagee holds a subsequent wrap mortgage on the said property and services the Mortgage;

AND WHEREAS Greymac has loaned a portion of the net sum advanced under the Mortgage ("Greymac advance");

NOW THEREFORE WITNESSETH THAT in consideration of the completion of the original mortgage transaction and the payment of TWO (\$2.00) DOLLARS (the receipt and sufficiency whereof is hereby acknowledged by the parties) the parties hereto acknowledge and agree the Mortgage shall be amended as follows:

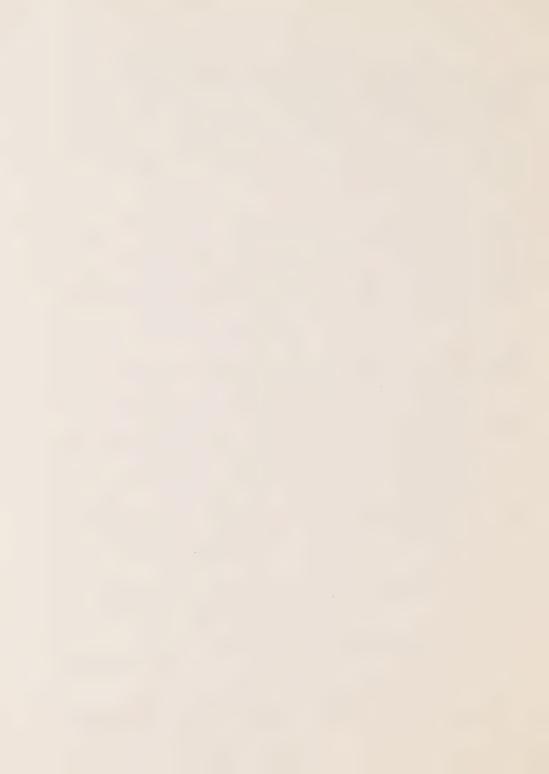
- 1. The recitals are incorporated and form a part hereof.
- 2. The Mortgage is registered stating an interest rate calculated and payable monthly, to be set or adjusted monthly at two and one half (2 1/2%) per cent above the interest rate payable on sixty day Guarantee Investment Certificates then issued by Greymac Trust Company or its successor, or 16 1/4% per annum, whichever is the greater.
- 3. Notwithstanding the interest payment provisions set forth in the Mortgage, as to the amounts advanced by Greymac, it is hereby acknowledged and agreed that the Mortgage is hereby amended to provide, until such time as the Mortgagor exercises its privilege to fix the interest rate, the interest rate shall be a floating rate at the rate of interest calculated and payable monthly, at 2 1/2% above the interest rate payable on 60 day Guaranteed Investment Certificates issued by Greymac Trust Company or its successor, only, to be adjusted monthly as required, without reference to the greater of that rate or 16 1/4%.
- 4. In all other respects the Mortgage shall remain, in full force and effect as unamended.
- 5. The Wrap Mortgagee acknowledges and agrees to the amendment herein.
- 6. This agreement shall enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have hereunto caused their corporate seals to be affixed, duly attested by their proper officers duly authorized in that behalf, as of the date and year first written above.

SIGNED, SEALED and DELIVERED) GREYMAC TRUST COMPANY in the presence of: Per: 526001 ONTARIO INC. 526002 ONTARIO INC. 526003 ONTARIO INC. 526004 ONTARIO INC. 526005 ONTARIO INC. 526006 ONTARIO INC. Per:

485

KILDERKIN INVESTMENTS LTD.



Direction and Acknowledgment (undated), from Kilderkin and Broadhurst & Ball to the trust companies and Kitamura, Yates, (being the applicable direction re advance of fund on closing of Cadillac Fairview transaction)



DIRECTION AND ACKNOWLEDGMENT

TO: SENWAY TRUST COMPANY
CROWN TRUST COMPANY
GREYMAC TRUST COMPANY

KITAMURA, YATES, MARGOLIS, MASTIN & CHAMPAGNE

RE: Mortgage Financing on the property complexes listed in Schedule "A" attached hereto (all properties in Toronto and Mississauga, Ontario)

WE HEREBY ACKNOWLEDGE RECEIPT of the following sums of money from the following sources:

FROM:

(a)	The Crown Trust Company	\$ 62,923,187.00
(b)	The Greymac Trust Company	13,178,008.00
(c)	The Seaway Trust Company	32,500,000.00
(å)	The Seaway Trust Company	25,500,000.00
		\$134.101.195.00

and we hereby also acknowledge that a further sum of \$10,000,000.00 is to be funded by Seaway Trust Company at a later date, and that a new and further direction will be provided at that time.

WE THEREFORE AUTHORIZE AND DIRECT you to make the balance of the funds (\$134,101,195.00) payable as follows:

m:

(a) The Cadillac Fairview Corporation \$ 40,500,000.00 Limited for the balance of funds due on the property closing

(b) Prousky & Biback, in trust, being 42,500,000.00 the balance of the purchase monies, payable to Greymac Credit Corporation for the purchase and sale transaction between Greymac Credit Corporation and Kilderkin Investments Ltd.

(c) The Crown Trust Company towards a term 15,000,000.00 deposit to be held for Kilderkin Investments Ltd.

(6) Greymac Credit Corporation for the 21,891,946.00 balance of the funds due on closing for the purchase of Greymac Mortgage Corporation by Kilderkin Investments Ltd. (the purchase price being \$30,000.000.00, but the amount being given to Greymac Credit Corporation is only \$21,891,946.00 because of a set offarrangement on \$8,108,054.00 and certain shares of Crown Trust Company between Seaway Trust Company, Greymac Credit Corporation and Kilderkin Investments Ltd. regarding the purchase of Greymac Mortgage Corporation)

(e) _.	Prousky & Biback, in trust, for fees and disburscments for Prousky & Biback and for Gordon, Traub & Rotenberg for legal fees and disbursements	\$	352,500:00	
(f)	Kitamura, Yates, Margolis, Mastin & Champagne for legal fees and estimated disbursements (disbursements to be adjusted later)		300,000.00	
(g)	Green Door Investments Ltd.	8	3,100,000.00	
(h)	Kilderkin Investments Ltd.	1	1,395,008.39	
(i)	Treasurer of Ontario for land transfer tax and retail sales tax	3	74,991.00	
		\$134	4,101,195.00	

and this shall be your sufficient and irrevocable authority for so doing.

KILDERKIN INVESTMENTS LTD.

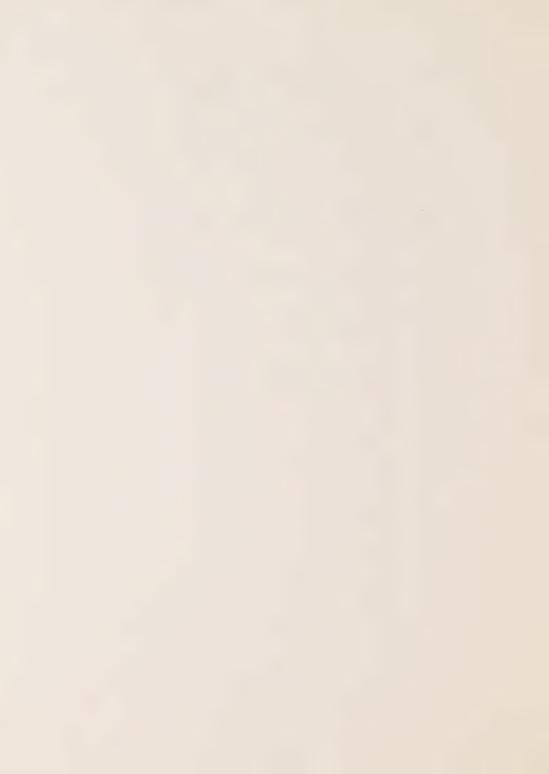
Per

. BROADHURST & EALL

5- ---

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- . 7. ROSEDALE EAST
 - 8. HAMPTON HOUSE
 - 9. PARK PLACE
 - 10. GRENADIER SOUARE
 - 11. ROSEBURY SQUARE
 - 12. UNIVERSITY CITY
 - 13. CLINTWOOD COURT
 - 14. IVORDALE
 - 15. MAISONETTE APARTMENTS
 - 16. AINSLEY COURT
 - 17. CRAIGHTON COURT
 - 18. CHARLTON COURT
- 19: DON RIDGE TOWERS
- .20. FOREST GROVE
- 21. HUMBER RIDGE . .
- 22. MORNINGSTAR .
- 23. ARBOUR GREEN
 - 24. SIR JOHN'S GLEN
 - 25. MILLWAY VILLAGE
 - 26. BAY CHARLES

AN



Direction and Acknowledgment (undated) re mortgage financing for Cadillac Fairview transaction



DIRECTION AND ACKNOWLEDGMENT

TO: SEAWAY TRUST COMPANY
CROWN TRUST COMPANY
GREYMAC TRUST COMPANY
KITAMURA, YATES, MARGOLIS, MASTIN & CHAMPAGNE

RE: Mortgage Financing on the property complexes listed in Schedule "A" attached hereto (all properties in Toronto and Mississauga, Onta

WE HEREBY acknowledge receipt of the net sum of \$134,101,195.00 from the following sources.

(a)	The Crown Trust Company	\$ 62,923,187.00
(b)	The Greymac Trust Company	13,178,008.00
(c)	The Seaway Trust Company	 32,500,000.00
(d)	The Seaway Trust Company	25,500,000.00
		\$134,101,195,00

the sum after deduction at source by Seaway Trust Company of the amount of \$8,108,054.00 to satisfy the indebtedness of Greymac Credit Corporation to it, and we hereby also acknowledge that a further sum of \$10,000,000.00 is to be funded by Seaway Trust Company.

We hereby authorize and direct you to make the monies payable to Kilderkin Investments Ltd. or as it may direct and this shall be your good and sufficient irrevocable authority for so doing.

BROADHURST & BALL

PER.

KILDERKIN INVESTMENTS LTD.

PER: All John

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
- B. HAMPTON HOUSE
- 9. PARK PLACE
- 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
- 12. UNIVERSITY CITY
 - 13. CLINTWOOD COURT
 - 14. IVORDALE
 - 15. MAISONETTE APARTMENTS
 - 16. AINSLEY COURT
- 17. CRAIGHTON COURT ---- 12
 - 18. CHARLTON COURT .
- 19. DON RIDGE TOWERS
- 20. FOREST GROVE
- 21. HUMBER RIDGE .
- 22. MORNINGSTAR .
- · 23. ARBOUR GREEN
 - 24. SIR JOHN'S GLEN
 - 25. MILLWAY VILLAGE
 - 26. BAY CHARLES

AW

Direction re funds dated November 4, 1982 from the numbered companies to the trust companies and Greymac Mortgage



במייח ז מי ער ביחד במייחב

TO: SEAWAY TRUST COMPANY, CROWN TRUST COMPANY, GREYMAC TRUST COMPANY and GREYMAC MORTGAGE CORPORATION

AND TO:

-

RE: Mortgage financing for all of the complexes and properties set out in Schedule "A" annexed hereto

THIS IS TO AUTHORIZE AND DIRECT YOU to make the balance of funds payable as follows:

Broadhurst and Ball, in trust, or as they may further direct and this shall be your good, sufficient and irrevocable authority for so doing.

	DATED at Toronto this	4th day of November, 1982.
526001	ONTARIO INC.	526002 ONTARIO INC.
Per:		Per:
526003	ONTARIO INC.	526004 ONDARIO INC.
Per:		Per:
526005	ONTERIO INC	526006 ONTERTO INC.
Per:		Per:
526007	ONTARIO INC.	526008 ONTERIO INC.
Per:	1-11	Per:
526009	ONTARIO INC.	526010 ONTERIO INC.
Per:		Per:
526011	ONTARIO INC.	526012 ONTERIO INC
Per:		Per:
526013	ONTERIO INC.	526014 ONTERTO INC.
Per:		Per:

526015 ONTARIO INC.	Per:
526017 ONFARIO INC. Per:	526018 ONTARIO INC
526019 ONTARIO INC. Per:	526020 ONTARIO INC. Per:
526021 ONTERIO INC. Per:	526022 ONTARIO INC
526023 ONTARIO INC	526024 ONTARIO INC
526025 ONTARIO INC	526026 ONTARIO INC.
526262 ONTEFIC INC	526263 ONTAGIO INC. Per:
526264 ONTARIO INO. Per:	526265 ONTARIO INC.
526266 ONTERPO INC. Per:	526267 ONTARNO INC
526268 ONTARIO INC.	526269 ONTARIO INC.
526270 ONTERNO INC.	526271 ONTARIO INC.
526272 ONTAFIO INC.	526273 ONTARIO INC.

526274 Per:	ONTARIO INC.	526450 ONYARIO INC. Per:
526451 Per:	ONTARIO INC.	526453 ONTERIO INC
526454 Per:	ONTARIO INC.	526455 ONTARTO INC. Per:
526456 Per:	ONTARIO LEC.	526457 ONTARIO INC.
526458 Per:	ONTERIO INC.	526459 ONTERIO INC. Per:
526460 Per:	ONTARIO INC.	526461 ONTARTO INC.

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
 - B. HAMPTON HOUSE
 - 9. PARK PLACE
 - 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
 - 12. UNIVERSITY CITY
 - 13. CLINTWOOD COURT .
 - 14. IVORDALE
 - 15. MAISONETTE APARTMENTS
 - 16. AINSLEY COURT
 - 17. CRAIGHTON COURT
 - 18. CHARLTON COURT
- 19: DON RIDGE TOWERS
 - 20. FOREST GROVE
 - 21. HUMBER RIDGE . .
 - 22. MORNINGSTAR
 - 23. ARBOUR GREEN
 - 24. SIR JOHN'S GLEN
 - 25. MILLWAY VILLAGE
 - 26. BAY CHARLES

Direction dated November 4, 1982 from Broadhurst & Ball to Greymac Trust



DIRECTION

TO: GREYMAC TRUST COMPANY

RE: MORTGAGE FINANCING ON PARKWAY FOREST

HORIZON VILLAGE
BRETTON PLACE
PARK PLACE
ROSEBURY SQUARE
UNIVERSITY: SQUARE
MILLWAY VILLAGE

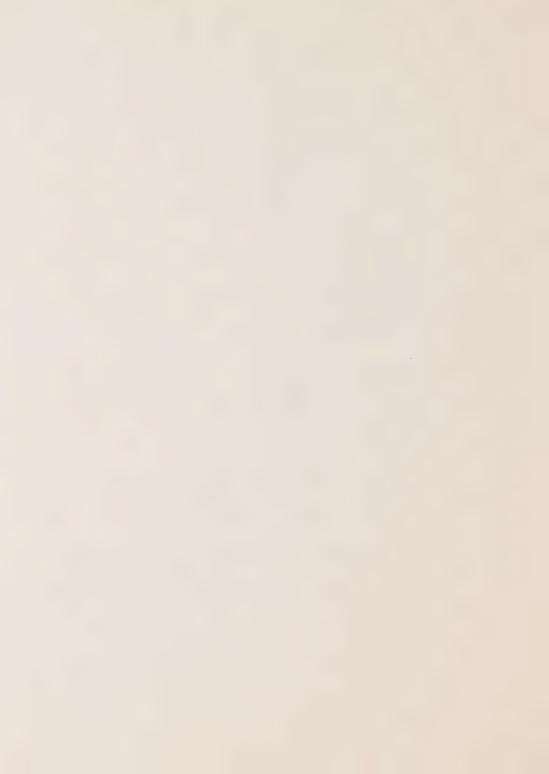
In respect of the funding of the above-captioned transactions by way of redirection you are hereby authorized and directed to advance the funds thereunder payable to Kitimura, Yates, Margolis, Mastin & Champagne, In Trust, and this should be your good and valid irrevocable authority for so doing.

In addition, you are authorized to make a preliminary advance to the foregoing payee as of the date hereof in the amount of 13,000,000.00, in escrow, pending registration of security.

DATED at Mississauga this 4th day of November, 1982.

BROADHURST AND BALL

I Tout. put of



Direction dated November 4, 1982 from Broadhurst & Ball to Seaway Trust



TO: SEAWAY TRUST COMPANY

RE: MORTGAGE FINANCING ON HORIZON HOUSE

SUMMIT PLACE
THE TOWNE
ROSEDALE EAST
HAMPTON HOUSE
GRENADIER SQUARE
CLINTWOOD COURT

IVORDALE

MAISONETTE APARTMENTS

AINSLEY COURT
CRAIGHTON COURT
CHARLTON COURT
DON RIDGE TOWERS
FOREST GROVE
HUMBER RIDGE
MORNINGSTAR
ARBOUR GREEN
SIR JOHN'S GLEN
BAY CHARLES

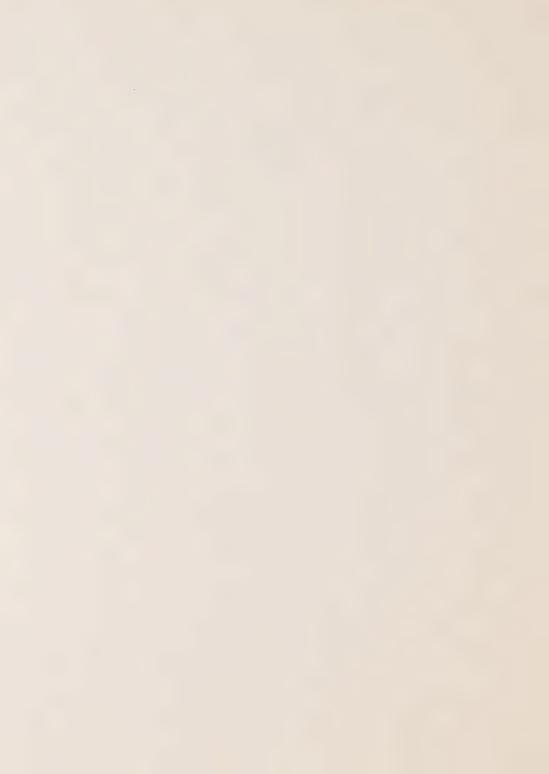
In respect of the funding of the above-captioned transactions by way of redirection you are hereby authorized and directed to advance the funds thereunder payable to Kitimura, Yates, Margolis, Mastin & Champagne, In Trust, and this should be your good and valid irrevocable authority for so doing.

In addition, you are authorized to make a preliminary advance to the foregoing payee as of the date hereof in the amount of \$32,500,000.00, in escrow, pending registration of security.

DATED at Mississauga this 4th day of November, 1982.

BROADHURST AND BALL IN TRUST.

Front Por The



Direction dated November 5, 1982 from Kilderkin and Broadhurst & Ball to the trust companies and Greymac Mortgage



DIRECTION

TO: SEAWAY TRUST COMPANY, CROWN TRUST COMPANY, GREYMAC TRUST COMPANY and GREYMAC MORTGAGE CORPORATION

RE: Mortgage financing for all of the complexes and properties set out on Schedule "A" annexed hereto

THIS IS TO AUTHORIZE AND DIRECT YOU TO make the balance of funds under the above-noted transaction payable as follows:

1.	Cadillac Fairview	\$40,500,000.00
2.	Prousky & Biback, in trust re balance of purchase price for	
1	offer of Greymac Credit	42,500,000.00
3.	Crown Trust A FA.	15,000,000.00
L	somey rever Klobertin Investments Atol	15,000,000.00
	Greymac Credit \$30,000,000.00 . -8,108,054.00	21,891,946.00
4.	Prousky & Biback, in trust for fees and disbursements on behalf of Prousky & Biback and Gordon, Traub & Rotenberg from Kilderkin Investments Limited only	352,500.00
		332,300.00
5.	Kitamura Yates Margolis Mastin & Champagne for fees and disbursements	300,000.00
6.	Broadhurst & Ball, or as they may direct in writing	16,655,554.00
	TOTAL	\$152,200,000.00

and this shall be your good, sufficient and irrevocable authority for so doing.

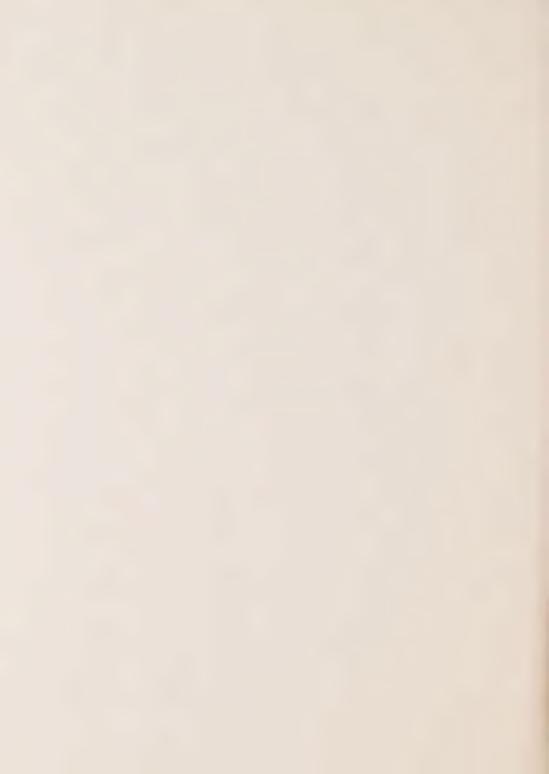
DATED at Toronto, November 5th, 1982.

KILDERKIN INVESTMENTS LTB.

Per: Authorized signing officers

BROADHURST & BALK

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Acknowledgment dated November 4, 1982 from Crown Trust to Kitamura, Yates and Broadhurst & Ball



ACKNOWLEDGMENT

TO: KITAMURA, YATES, MARGOLIS, MASTIN & CHAMPAGNE

AND TO: BROADHURST & BALL

AND TO: 517252 ONTARIO LIMITED

RE: Mortgage Funding on those properties mentioned in Schedule "A"

attached hereto (all in Toronto and Mississauga, Ontario)

WE HEREBY ACKNOWLEDGE that we advanced mortgage funds for the properties set out in Schedule "A" attached hereto for a total amount of \$62,923,187.00 and that we received back the sum of \$15,000,000.00 on behalf of ourselves and Greymac Trust Company as security for the payment of interest on mortgage loans to the Purchasers.

DATED at Toronto this $5^{1/2}$ day of November, 1982.

THE CROWN TRUST COMPANY

Per:

Vice President, Finance & Administration



Direction and Authorization dated November 4, 1982 from Crown Trust to Kitamura, Yates and Broadhurst & Ball



DIRECTION AND AUTHORIZATION

TO: Crown Trust Company

RE: Mortgage Financing on
Parkway Forest
Horizon Village
Bretton Place
Park Place
Rosebury Square
University City
Millway Village

WHEREAS the funding of the mortgages executed by the borrowers in respect of the above-captioned apartment properties as to the the net sum advanced by Greymac Trust Company and Crown Trust Company was directed by the the respective borrowers to be payable to the law firm of Broadhurst & Ball, In Trust, pursuant to direction dated November 4, 1982;

AND WHEREAS by further direction dated November 4, 1982, the firm of Broadhurst & Ball, In Trust, redirected Greymac Trust Company as the named mortgagee, to advance the mortgage funds to Kitamura, Yates, Margolis, Mastin and Champagne, In Trust, to facilitate the administration thereof;

AND WHEREAS Broadhurst & Ball and Kilderkin
Investments Ltd. further directed Seaway Trust Company, Crown
Trust Company, Greymac Trust Company and Kitimura, Yates,
Margolis, Mastin and Champagne to make the mortgage monies
payable to Kilderkin Investments Ltd. or as it may direct;

AND WHEREAS Kilderkin Investments Ltd. directed and hereby confirms that direction and authorization that Kitamura, Yates, Margolis, Mastin and Champagne pay the sum of \$15,000,000 to Crown Trust Company to be held by it, subject to the terms hereinafter set forth.

NOW THEREFORE WITNESSETH:

- 1. Kilderkin Investments Ltd. hereby confirms and warrants the foregoing recitals;
- Kilderkin Investments Ltd. hereby directs and 2. authorizes Crown Trust Company to invest the said \$15,000,000 and the principal and accrued interest remaining from time to time for its account, on 30 day terms provided that Crown Trust Company is hereby specifically directed to satisfy the interest payable on the 10th day of each and every month accruing due and payable to Greymac Trust Company in respect of the net sum advanced by it for the account of Crown Trust Company and itself and pertaining to the mortgage on the above-captioned properties, until otherwise instructed in writing by Kilderkin Investments Ltd. The rate of interest as set forth in the mortgages calls for payment at the rate of 2 1/2% over the 60 day Guaranteed Investment Certificate rate of Greymae Trust Company, calculated and payable monthly, such rate to be that in effect at the first of each month. The mortgage interest has accrued since November 5, 1982, with the first payment made due as of December 10, 1982.
 - 3. The principal remaining from time to time shall be invested on a monthly basis scheduled to permit the mortgage payments falling due on the 10th day of each month.

4. This shall be your good and sufficient irrevocable authority for so doing until advised in writing by Kilderkin Investments Limited, to the contrary or the maturity of the mortgage whichever is the earlier.

DATED at Toronto this 10th day of December, 1982.

KILDERKIN INVESTMENTS LTD.

Per:



Tri-Braun Corporation Commission Agreement with Cadillac Fairview dated August 24, 1982



COMMISSION AGREEMENT

TO: TRI BRAUN CORP., its successors and assigns

RE: THE CADILLAC FAIRVIEW CORPORATION LIMITED (THE "VENDOR")
SALE TO GREYMAC CREDIT CORPORATION (THE "PURCHASER")

In consideration of Tri Braun Corp. introducing the Vendor to the Purchaser and procuring the Agreement for the Purchase and Sale dated the 24th day of August, 1982, for the lands and buildings described in Schedule "A" attached hereto, the undersigned Vendor hereby covenants and agrees as follows:

- l. To pay to Tri Braun Corp., or as it may in writing direct, upon the completion of the sale of the properties pursuant to the said agreement of Purchase and Sale, a commission equal to two (2%) percent of the sale price, if, as and when the sale of the properties closes, such that the commission shall be paid from time to time in respect of such properties as they are successfully closed upon their respective closing dates.
- 2. That the commission payable hereunder is not under any circumstances subject to deduction, abatement or set-off.

Dated at Toronto, this 24th day of August, 1982.

Authorized

THE CADILLAC FAIRVIEW CORPORATION LIMITED

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Authorized Signing Officer.

SCHEDULE "A" TO THE COMMISSION AGREEMENT

- 1. PARKWAY FOREST
- 2. HORIZON HOUSE
- 3. HORIZON VILLAGE
- 4. SUMMIT PLACE
- 5. THE TOWNE
- 6. BRETTON PLACE
- 7. ROSEDALE EAST
- 8. HAMPTON HOUSE
- 9. PARK PLACE
- 10. GRENADIER SQUARE
- 11. ROSEBURY SQUARE
- 12. UNIVERSITY CITY
- 13. CLINTWOOD COURT
- 14. IVORDALE
- 15. MAISONETTE APARTMENTS
- 16. AINSLEY COURT
- 17. CRAIGHTON COURT
- 18. CHARLTON COURT
- 19. DON RIDGE TOWERS
- 20. FOREST GROVE
- 21. HUMBER RIDGE
- 22. MORNINGSTAR
- 23. ARBOUR GREEN
- 24. SIR JOHN'S GLEN
- 25. MILLWAY VILLAGE
- .26. BAY CHARLES









